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Despite Support, Prospects for EAEG 'Uncertain'

BK0903003091 Bangkok BANGKOK POST in English 9 Mar 91 p 4

[By Phichai Chunsuksawat]

[Text] Despite support from Singapore and a strongly-worded defence by Prime Minister Mahathir Mohamad, prospects remain uncertain for Malaysia's proposal to form an East Asia Economic Group (EAEG).

One motive for this proposal appears clear: the belief that Southeast Asian countries are still too small to be heard over the voices of Europe and the United States in directing the course of global economy. Something also needs to be done to counter rising protectionism in the West; thus ASEAN should group together with other Asian economies to ensure "a level playing field."

Since Malaysia first broached the matter early last December, it has had a hard time selling the idea, particularly the perception that the EAEG would not turn out to be yet another trading bloc. And despite Dr Mahathir's explanation, doubts remain.

Diplomatic observers note that the proposal emerged following the collapse of GATT talks in Geneva last year when Malaysia reportedly felt that views of smaller and developing nations were set aside while the European community and the United States debated the shape of the global economy.

Dr Mahathir highlighted this point in his keynote speech at this week's international seminar on "ASEAN and the World Economy: Challenge of Change," which was organised by the Asia Society and held in Bali, Indonesia. He also raised longstanding concerns over protectionism.

"A less-than-vigogous-trade-growth regime in the foresee-able future should also be no great surprise given the rise of protectionism and managed trade, the movement towards trade blocs and the general erosion of the global trading system.

"We can only hope that GATT will not in the end stand for a 'General Agreement to Talk and Talk' and no more than that," he said.

Although he made clear he viewed the European Single Market concept as a trade bloc—pointing to import quotas and preferential treatment towards outsiders—Dr Mahathir also looked askance at the free-trade union between the United States and Canada, and the objective of making North, Central and South America a single economic grouping.

"The degree of exclusivity in trade that will result from this grouping is as yet a matter of speculation, but such a grouping cannot but be protectionist to a degree," he said.

"Two wrongs don't make a right. We in Asia must not form as a trading bloc of our own. But we know—stand alone and on our own we cannot stop the slide towards controlled and regulated international commerce.

"To stop the slide and to preserve free trade the countries of East Asia, which contain some of the most dynamic economies in the world today, must at least speak with one voice," he said.

While admitting that a free trade arrangement between the Asian countries was "impossible at this point," the countries should consult each other.

But that is not all. Dr Mahathir believes the grouping should be intended to "facilitate consultation and consensus prior to negotiating with Europe and America or in multilateral forum such as the GATT."

He emphasised that this was not against the GATT principle, nor would it run contrary to membership in such organisations as APEC [Asia-Pacific Economic Cooperation], of which the United States and Canada are members. "Because of its market size alone, the EAEG will be listened to," Dr Mahathir said.

Singapore has backed the proposal as long as the group does not conflict with GATT. Speaking at the same international forum, Singapore Prime Minister Goh Chok Tong said ASEAN was apprehensive about current international economic trends.

"How should it respond? There is only one way: be more competitive and insist on a level playing field. Even as ASEAN becomes more competitive, it may not be big enough a team to be able to insist on a level field.

"ASEAN may have to play within a bigger team. ASEAN can do this by linking up with other economies in the Asia Pacific through a structure like the EAEG proposed by Dr Mahathir, and APEC (Asia-Pacific Economic Cooperation). This way ASEAN will not be sidelined. By being part of a big team like EAEG and APEC, ASEAN can play with other world-class teams, in the same league.

"If ASEAN does not keep up with world trends of economic cooperation through economic groupings, Thailand, Malaysia and Indonesia may find their industrial take-off aborted.

"And Singapore, which has already taken off, may find its engines stalling in midair. We cannot allow this to happpen. So ASEAN will have to cooperate to compete, and compete while it cooperates," the Singaporean prime minister said.

But not everyone is happy or comfortable with the Malaysian proposal.

Diplomatic sources agree that Malaysia has not yet received full support from Indonesia. It was notable that in his opening speech at the seminar, Indonesian President Suharto failed to mention the EAEG, but emphasised the importance of intensified intra-ASEAN cooperation.

His only reference to expanding economic cooperation between ASEAN and other nations was the statement that "we ought to intensify our efforts aimed at fostering the present cooperation while, simultataneously, to think about new approaches and to seek new breakthroughs in order to establish a more meaningful and effective intra-ASEAN economic cooperation."

Diplomatic sources said Indonesia's feathers may have been ruffled by Dr Mahathir's failure to first consult Jakarta on the proposal and obtain its backing. Instead he broached the issue with Singapore.

An Indonesian source said the Malaysian proposal was made "out of the blue" without prior consultation. As far as Indonesia was concerned, APEC was already the right direction for ASEAN and should be as far as ASEAN went. Despite Dr Mahathir's statement, Indonesians are reportedly hoping the proposal will simply "fizzle out."

Former U.S. secretary of state Dr Henry Kissinger said at the same seminar that he felt more comfortable with APEC rather than with the EAEG. But U.S. Ambassador to Japan Micheael Armacost stated the American position clearly: "Pan-Asia-type comments as presented last night are not viable."

Ambassador Armacost said Washington supported economic cooperation in free market economies and this was the reason why Washington supported APEC. The U.S. was concerned a grouping such as the EAEG would reduce the role of APEC.

Japan's position was also clear in that it does not support moves towards building trade blocs. Its inclusion into the group, with the exclusion of the United States, would tend to focus on regionalism in which Tokyo would be considered the nominal leader.

Thailand's position remains uncertain. Prior to the military takeover, the elected government's stand was that of caution, despite pronouncements that the EAEG would not be a trading bloc. Apart from the various positions on the proposal expressed so far, there are a number of problems which appears to make the proposal unworkable—if the intention is indeed to expand regional economic cooperation.

Efforts at boosting intra-ASEAN trade have been far from successful, and indeed Singaporean Prime Minister Goh's comments regarding intra-ASEAN cooperation were refreshing in that he admitted the system at present was simply not competitive.

Improvements are needed to make ASEAN members cooperate more while increasing competitiveness, he said.

Another problem is that each ASEAN country remains too dependent on the American and European markets, and is in fact competitors. [sentence as published] Countries in this region will continue to remain dependent on the U.S. and European markets unless they have been able to develop their eocnomies further and become trading partners, he said.

Adoption of this proposal may also put the region at a disadvantage since the region stands to benefit from free trade under GATT.

Apart from these issues, it appears that more clarification and definition is needed on the Malaysian proposal because if the heart of the proposal rests with the objective of forming a group so as to negotiate and be heard, broader support may be lacking and the proposal may fizzle out.

Japan

Revised Ordinances To Remove Kuwait Sanctions

OW1403084391 Tokyo KYODO in English 0720 GMT 14 Mar 91

[Text] Tokyo, March 14 KYODO—The Japanese Government endorsed Thursday revised ordinances needed to remove economic sanctions imposed on Kuwait shortly after Iraq invaded the emirate last August 2, government officials said. The revised ordinances are expected to be formally approved at a regular cabinet meeting on Friday. The sanctions will be officially removed on Monday, the officials said.

Parties Discuss U.S. Gulf Minesweepers Request

OW1303173991 Tokyo KYODO in English 1456 GMT 13 Mar 91

[Text] Tokyo, March 13 KYODO—The United States has asked Japan to dispatch minesweepers to the Persian Gulf after Germany has decided to do so, a high-ranking Liberal Democratic Party (LDP) official said Wednesday.

Mutsuki Kato, chairman of the LDP Policy Affairs Research Council, unveiled the U.S. request in a meeting with top officials of three major noncommunist opposition parties—the Social Democratic Party (SDP), Komeito and the Democratic Socialist Party [DSP]. Kato called on the SDP, Komeito and the DSP to support the possible dispatch of the minesweepers to the Gulf, saying the Gulf war has ended and the location of mines will obstruct the passage of tankers carrying oil to Japan. Japan has 32 minesweepers.

The U.S. has asked Japan to join an international effort to remove about 1,000 mines laid by Iraq during the Gulf war, Kato said.

Shigeru Ito, chairman of the SDF Policy Board, told Kato his party is opposed to the plan. But Kansei Nakano, chairman of the DSP Policy Board, suggested his party may agree to the plan, saying that it is possible for the minesweepers to be sent to the gulf region in the name of the Maritime Safety Agency, instead of the Maritime Self-Defense Force.

Kato called the SDP position obstructive, saying the SDP will be accused of preventing oil supplies from the Middle East reaching Japan.

A top LDP official, who asked not to be identified, said the government should make a decision as soon as possible to send minesweepers to the Persian Gulf.

Government 'Considering' Minesweepers for Gulf

OW1403085991 Tokyo KYODO in English 0615 GMT 14 Mar 91

[Text] Tokyo, March 14 KYODO—Japan is considering dispatching minesweepers to the Persian Gulf, the Government said Thursday.

Foreign Minister Taro Nakayama told a parliamentary committee that Japan is obliged to seek ways to protect Japanese sailors in the area, and said the Government will discuss sending minesweepers to the Gulf with the Seafarers Union. "It is not acceptable to be concerned only about the safety of Japanese ships," he also said.

Akira Hiyoshi, director of the Secretariat at the Defense Agency, told the ruling Liberal Democratic Party's Defense Committee that Japan could send minesweepers to coastal areas in the region if Gulf nations asked for them.

The proposal is certain to incite vigorous debate over whether the move is consistent with Japan's pacifist Constitution and restrictions on the overseas use of Japan's Self-Defense Forces [SDF].

A plan drawn up in January to send SDF transport planes to airlift war refugees drew fierce criticism from opposition parties that oppose an international role for Japan's military. The planes were not deployed because international refugee relief agencies never asked for them.

Prime Minister Toshiki Kaifu told the House of Representatives Budget Committee that the Government has not yet formed an opinion on sending the minesweepers.

At a news conference Chief Cabinet Secretary Misoji Sakamoto said the Government would make a decision after gauging public opinion and debate in the Diet. He said Japan's aspirations for a larger role in the international community would also affect the conclusion.

Japan considered dispatching minesweepers to the Persian Gulf during the 1980-88 Iran-Iraq War, but the plan was dropped for fear that Japan could be dragged into the war. In 1987, then Prime Minister Yasuhiro Nakasone said the move would not violate the Constitution.

Sakamoto noted that Japan feels a greater responsibility to contribute to the international community now than it did during the Iran-Iraq War.

The minesweeper proposal was hailed by former LDP Policy Affairs Research Council leader Michio Watanabe, who predicted the public would react favorably to the plan, which could save lives.

Kaifu has denied news reports that the United States asked Japan to help rid the Gulf of mines.

Mutsuki Kato, chairman of the LDP Policy Affairs Research Council, said Wednesday that the U.S. asked Japan to help remove about 1,000 ocean mines laid by Iraq during the Gulf War.

Germany, which also has constitutional limits on military use, already has announced it intends to send minesweepers to the Gulf.

A senior government official, however, supported Kato's statement, saying U.S. President George Bush suggested that Japan send the minesweepers during a telephone conversation with Kaifu last August. But the official, who spoke on condition of anonymity, said there had been no recent requests.

Cabinet Criticized for Following U.S. 'Footsteps'

OW1303140591 Tokyo KYODO in English 1336 GMT 13 Mar 91

[Text] Tokyo, March 13 KYODO—The Persian Gulf war revealed Japan's need for a crisis management infrastructure for international emergencies, a high-ranking Foreign Ministry's official said Wednesday.

Ministry Secretariat Director Yoshiyasu Sato said at a meeting of a government council on administrative reform, "there was no system in Japan to respond to international emergencies with flexibility. The Gulf war was a great lesson for Japan." Sato admitted the ministry encountered many difficulties in trying to contribute to the multinational effort in the war due to legal limitations in Japan.

The government bill submitted to the Diet six weeks after Iraq's invasion of Kuwait seeking Japanese military assistance to U.N. peacekeeping activities was scrapped amid severe criticism from opposition parties it would contradict the war-renouncing Constitution. The bill had sought the overseas dispatch of Self-Defense Forces personnel, transport planes, and supply ships.

But Sato added Japan was right to maintain a strong stance against Iraq's invasion of Kuwait.

In the council meeting, some attendants resurrected criticism that Prime Minister Toshiki Kaifu's cabinet did not exert leadership during the war, instead following in the United States footsteps.

LDP Leaders, Solomon Discuss Market Opening

OW1303140491 Tokyo KYODO in English 1250 GMT 13 Mar 91

[Text] Tokyo, March 13 KYODO—Visiting U.S. Assistant Secretary of State Richard H. Solomon conferred with ruling party leaders Wednesday on a wide range of topics, including U.S. demands for the opening of the Japanese construction market, party officials said. Solomon, who is in charge of East Asian and Pacific Affairs at the U.S. State Department, held meetings separately with Ichiro Ozawa, secretary general of the Liberal Democratic Party (LDP), and Kiichi Miyazawa, former finance minister and a senior member of the LDP.

Ozawa called on the U.S. Government to drop its high-handed posture in bilateral negotiations aimed at opening the Japanese construction market to foreign contractors, the officials said. "If the Commerce Department sticks to its high profile posture, it will be hard to reach agreement (in negotiations on the opening of the Japanese construction market)," Ozawa was quoted as saying.

He apparently referred to a U.S. threat to invoke the Super 301 provisions of the 1988 U.S. Omnibus Trade Act, allowing Washington to take retaliatory measures against nations deemed to have unfair trading practices.

Ozawa also told Solomon that Japan would be able to discharge international responsibility equal to its economic power with the consensus of the Japanese people in the future.

He expressed regret that Japan could not share the burden during the Persian Gulf war, the officials said. Ozawa said Japan is willing to provide personnel to cooperate in United Nations peacekeeping missions, they said.

With regard to diplomatic normalization talks between Japan and North Korea, Solomon supported Japan's position of trying to get North Korea to accept on-site inspections of nuclear facilities by the International Atomic Energy Agency (IAEA), the officials said.

Ozawa said nuclear armament by North Korea will pose a threat to both South Korea and Japan, they said.

Solomon earlier discussed with Miyazawa restrictions on weapons exports by advanced nations and post-Gulf war reconstruction in the Middle East, the officials said. Solomon said the United States appreciated Japan's decision to contribute an additional 9 billion dollars for the Gulf war, they said. Japan transferred the money to the Gulf Peace Fund on Wednesday for disbursement to the U.S.-led coalition that helped free Kuwait from Iraqi control.

Miyazawa, emphasizing that unreserved exports of weapons by advanced nations served as one of sources for the Gulf war, called for the creation of an international system to monitor weapons trade, the officials said.

Trade Surplus With U.S. Decreases in Feb

OW1303133291 Tokyo KYODO in English 0836 GMT 13 Mar 91

[Text] Tokyo, March 13 KYODO—Japan's trade surplus in February showed a year-on-year increase of 2.5 percent, following a sharp rise in January, the Finance Ministry said in a preliminary report Wednesday. The nation's trade surplus with the United States, however, decreased 2.8 percent from a year earlier to 2,874.57 million dollars.

The overall February merchandise trade surplus on a customs clearance basis was 5,093.16 million dollars, up by 125 million dollars from 4,967.76 million dollars in February 1990.

The February figure marked the second consecutive monthly rise in the nation's trade surplus this year. Imports increased for the eighth consecutive month, but were offset by exports growing steadily for nine straight months, contributing to the growth in the surplus.

Exports in February rose 13.3 percent to 24,936.10 million dollars from 22,002.32 million dollars a year earlier. Exports of automobile and audio visual equipment continued showing firm increases. Automobile exports to the United States particularly showed strong growth at 7.2 percent, rising for the first time in four months, according to a ministry official.

Imports also rose 16.5 percent over a year ago to 19,842.94 million dollars because of higher crude oil import prices.

Increasing finished products also contributed to the rise in imports, the official said. Imports of finished products, such as aircraft, gold, and clothes rose 14.0 percent from a year earlier, accounting for 42.0 percent of total imports.

The average price of crude oil was 24.73 dollars per barrel in February, up 27.7 percent from a year ago.

The average yen-dollar exchange rate in that month was 130.93 yen.

Exports to the United States rose 3.8 percent to 7,404.39 million dollars, while imports from the U.S. were up 8.5 percent to 4,529.81 million dollars.

Among exports to the U.S., automobiles rose 7.2 percent in value, despite falling by 1.3 percent in volume, according to the Finance Ministry official. This was attributed to the fact that more expensive, higher quality cars were favored.

Imports from the U.S. were strong in coal, jumping 83.1 percent, and semiconductors, which rose 23.1 percent. Imports of copper and aluminum came to about twice the amount a year ago.

Trade with the 12-nation European Community (EC) was also in surplus by 2,557.11 million dollars, a rise of 36.6 percent. Exports to the EC increased 22.4 percent to 5,265.15 million dollars, while imports from those countries rose 11.4 percent to 2,708.03 million dollars. The trade surplus with the EC was due mainly to brisk exports in audio visual equipment, up 42.6 percent, and automobiles, up 25.0 percent.

Japan's trade surplus with the Asian region was also up 25.8 percent to 1,877.26 million dollars. Exports to Asian nations came to 7,811.51 million dollars, up 27.6 percent, while imports from the area totaled 5,934.24 million dollars, up 28.2 percent.

Farmers Demand Removal of U.S. Rice Display

OW1303133691 Tokyo KYODO in English 1316 GMT 13 Mar 91

[Text] Chiba, March 13 KYODO—A Japanese farmers' group sought legal action Wednesday against a U.S. rice industry group for displaying U.S. rice samples at a food trade show here in violation of a law prohibiting imports of rice.

In the complaint filed with the Chiba Prefectural Police Headquarters, the National Confederation of Farmers' Movements insisted that the USA Rice Council violated the staple food control law by displaying the U.S. rice at the international food fair starting here Tuesday. "We've decided on this complaint because the U.S. displays are well planned in advance and vicious," said a confederation official, speaking on condition of anonymity.

The Food Control Law bans rice imports for commercial purposes, and the food agency has demanded the rice samples be removed as it is a clear violation of the law.

The confederation, consisting of 40,000 farmers nationwide, said that the rice exhibit is apparently designed for commercial purposes. But USA Rice Council Vice President James W. Willis told a press conference Tuesday that the rice displays were "strictly for informational and educational purposes only," and not for commercial purposes.

The U.S. Embassy declined to comment on the complaint. Embassy officials reportedly have said they would consult with the Agriculture Department over the food agency's demand Tuesday for the removal of the rice samples.

The confederation official said his organization took the action against the rice display because he said it was well prepared and ill-intentioned. "Australia and Thailand have dropped plans to display their rice upon requests from the food agency," he said.

Under Japanese law, anyone found guilty of importing rice without government permission could receive a prison term of up to two years or a fine of up to 3 million yen.

'Cool Attitude' Toward U.S. Rice Market Demands

OW1403084491 Tokyo KYODO in English 0712 GMT 14 Mar 91

[Text] Tokyo, March 14 KYODO—A Japanese farm trade official on Thursday expressed a cool attitude to U.S. congressional demands that Japan open up its rice market, saying that Tokyo will continue to seek U.S. understanding of its ban on rice imports.

The official was commenting on a report from Washington quoting a U.S. lawmaker as saying that the U.S. Congress and rice industry want Japan to allow foreign rice to take up 10 percent of its rice market.

"It's not just a matter of figures, such as saying 'no' to 10 percent, but 'yes' to 1 percent," said the official at the Agriculture, Forestry, and Fisheries Ministry, speaking on condition of anonymity. "Japan must maintain self-sufficiency in rice as that is a staple food for the Japanese," the official said. "As in the past, we'll seek understanding from other countries, including the United States, of this position."

Speaking of the 10 percent level, Rep. Jerry Huckaby, a Democrat from Louisiana, told KYODO News Service, "I think anything below that level would be difficult." "There is strong resentment in the rice-producing states, the fact that American markets are virtually open in so many items, whereas rice is totally closed (in Japan)," said Huckaby, who serves as chairman of the House Agriculture Committee on Cotton, Rice and Sugar.

Japan bans commercial rice imports to protect the domestic rice industry, insisting that it needs self-sufficiency in the staple food on national food security grounds.

Honda To Continue Production Cutbacks in Apr, May

OW1403084291 Tokyo KYODO in English 0747 GMT 14 Mar 91

[Text] Tokyo, March 14 KYODO—Honda Motor Co. will continue trimming production at its plants in both Japan and the United States in April and May, a senior company official said Thursday.

The move comes in the face of slumping sales in the recession-hit U.S. market, and follows a similar decision affecting production in February and March.

The official, who asked not to be named, said that the size of cutbacks will be scaled down to 15,000 cars from the initially planned 25,000 cars for April and May. He added, however, that the company has no choice but to keep the cutback at its plant in Marysville, Ohio, unchanged at the original figure of 5,000 cars.

"It's early to foresee a full recovery in sales," although the end of the Persian Gulf war is expected to work in favor of U.S. sales, the official said.

U.S. auto sales have slumped since the outbreak of the Gulf crisis last August. In January alone, sales of Honda passenger cars in the U.S. fell 22.0 percent from the year-earlier level to some 45,375 cars.

Honda had said on March 5 that it was making a 4.3 percent cut in car production in Ohio from January through March, cutting the output in Ohio to 110,000 vehicles during the three months.

DPRK Vice Foreign Minister Continues Visit

Nuclear Inspection Not 'Precondition'

SK1303115091 Seoul TONG-A ILBO in Korean 13 Mar 91 p 2

[Report by Tokyo correspondent Yi Nak-yon]

[Text] A Japanese Foreign Ministry official said on 12 March that North Korea's acceptance of a nuclear inspection is not a "precondition" for normalizing relations between North Korea and Japan.

During a news conference with ROK correspondents in Tokyo that afternoon, this Foreign Ministry official said that North Korea's acceptance of a nuclear inspection is not a "precondition" but merely a "very important problem to Japan."

Japan and North Korea ended the second two-day full-dress talks for diplomatic relations that day without narrowing differences on such controversial issues as North Korea's acceptance of a nuclear inspection and reparations for the postwar period. The two sides failed to set a date for the third round of talks in Beijing, but they agreed to discuss this issue on 13 March.

3d Round of Talks Set for Beijing

OW1303122691 Tokyo KYODO in English 1138 GMT 13 Mar 91

[Text] Tokyo, March 13 KYODO—Japan and North Korea on Wednesday agreed to hold their third round of normalization talks in May in Beijing, a Foreign Ministry official said. The agreement was made during Wednesday's unofficial meeting between Japanese chief negotiator Noboru Nakahira and North Korean delegation leader Chon In-chol, the official said. The official indicated the next meeting would be in mid or late May, although a final decision has yet to be made by respective embassy officials in Beijing.

In the informal meeting, Nakahira once again made a request that North Korea resume prime ministerial talks with South Korea, the official said.

On the Japanese request extended in the first round of talks in January in Pyongyang to investigate the whereabouts of three Japanese youths allegedly in North Korea, the official said the North Koreans told the Japan side in Tokyo "there is no such fact." Three university students went missing in Europe between 1980 and 1983 and the family of one of them has claimed they received a letter from him in 1988 saying the three were in Pyongyang. But the episode still remains a mystery.

Japanese and North Korean negotiators mostly repeated their arguments in the second round of talks in Tokyo on Monday and Tuesday. Two brief unofficial sessions between Nakahira and Chon then followed.

North Korea repeated its demand that Japan pay compensation for its 1910-1945 colonial rule and postwar "irregular" relations under which the two nations have had no official diplomatic ties. Japan refused to make up for postwar relations, denying it is responsible for postwar unfriendliness.

However, Chon indicated Wednesday in an interview with Japanese news organizations that Pyongyang may take a flexible stand on its demand for compensation from Japan, the biggest sticking point in the normalization of diplomatic ties between the two countries.

Pyongyang officials were indifferent to Japan's demand that it accept International Atomic Energy Agency (IAEA) inspections of its nuclear facilities to clear international "suspicion" that the communist nation is producing nuclear weapons. North Korea countered the Japanese claim that inter-Korean prime ministerial talks must not be halted as they will have a good influence on Tokyo-Pyongyang talks by arguing that they are two separate issues.

The Japanese delegation sought permission for correspondence and return visits to Japan of up to 1,800 Japanese spouses who joined their Korean husbands when the latter were repatriated to North Korea in the 1960s.

A high-ranking Japanese Foreign Ministry official on Wednesday brushed aside an early evaluation of the talks at this point in time, saying the commencement of bilateral talks itself is significant and that the advance of future sessions will naturally narrow the present gaps.

Looking back on the previous two rounds of talks, Chon said the two countries were able to clarify each other's standpoints and views, and lay the groundwork for mutual agreement in the next round. "I have an optimistic view that we can achieve our goal (of normalization)," he said.

The North Korean team will leave for home on Thursday.

Delegation Departs for Beijing

OW1403041391 Tokyo KYODO in English 0254 GMT 14 Mar 91

[Text] Tokyo, March 14 KYODO—A North Korean delegation left Japan for home Thursday via Beijing after ending a second round of talks with Japanese officials on normalization of relations between North Korea and Japan.

The delegation, headed by Vice Foreign Minister Chon In-chol, held official talks on the normalization issue Monday and Tuesday.

The third round of talks will be held in Beijing in May.

Official: 'No Longer Bound' by Ban on PRC Visits

OW1303145691 Tokyo KYODO in English 1422 GMT 13 Mar 91

[Text] Tokyo, March 13 KYODO—A senior Foreign Ministry official suggested Wednesday that Japan is no longer bound by a 1989 agreement among major developed nations banning high-ranking exchanges with Beijing. The official, talking with reporters on condition of anonymity, cited Finance Minister Ryutaro Hashimoto's trip to China in early January as a precedent in bypassing the ban. He was commenting on Foreign Minister Taro Nakayama's planned visit to China in April and a tentatively planned trip by Prime Minister Toshiki Kaifu afterwards.

The official noted that Japan has already lifted the freeze on an 810 billion yen aid package to China, which was suspended after the military suppression of prodemocracy demonstrators in Beijing in June 1989.

The 1989 Paris summit of the seven major industrial nations, held shortly after the bloodshed in Beijing, condemned the Chinese Government for the crackdown. Asked if Japan should wait for another summit meeting to clear the ban, the senior ministry official said Japan should "also consider its own policies."

Kaifu has said he wishes to visit China after the Diet winds up its current session in May, while Nakayama is expected to make the trip early next month to pave the way for the prime minister's trip.

A ministry source said the government hopes the visits will "symbolize that ties (with China) are back on track again." Ministry officials said there have been bilateral exchanges with Chinese officials in recent months.

The most senior Chinese official to visit Japan since the 1989 crackdown is Vice Premier Wu Xueqian, who came last November to attend Emperor Akihito's enthronement ceremony.

Banks To Join Guangdong-Hong Kong Highway Loan

OW1303135491 Tokyo KYODO in English 1311 GMT 13 Mar 91

[Text] Tokyo, March 13 KYODO—Dai-Ichi Kangyo Bank and 15 other Japanese banks will join an 800 million dollar Western syndicate loan to finance the building of a highway linking China's Guangdong Province and Hong Kong, banking sources said Wednesday. The sources said a formal agreement will be signed in Hong Kong on Thursday. The Japanese banks will provide 433.5 million dollars, or more than half the total financing.

Dai-Ichi Kangyo, which is providing 100 million dollars to the loan, will jointly manage the syndicate with Chugoku Bank, a regional bank based in Okayama City, western Japan, the sources said. The money will be extended to Hong Kong-based Developer Hopewell Holdings Ltd., with payments guaranteed by the Guangdong Province's investment and trust corporation.

The loan project had been delayed due to Western economic sanctions against China since Beijing's military crackdown on prodemocracy demonstrators in Tiananmen Square in June 1989.

Moscow Cancels Delivery of List of Dead POW's

OW1303145391 Tokyo KYODO in English 1406 GMT 13 Mar 91

[Text] Tsuruoka, Yamagata Pref., March 13 KYODO—The head of Japan's association of former war detainees in Siberia said Wednesday Moscow has canceled plans to provide a list of 40,000 dead Japanese prisoners of war to a private Japanese organization prior to Soviet President Mikhail Gorbachev's scheduled visit to Japan in mid-April.

Rokuro Saito, president of the All-Japan Former Internees Association, also said that plans for the concomitant establishment of a mutual understanding council in Niigata, scheduled for April, have been postponed indefinitely by the Soviets.

Saito said the Soviet Foreign Ministry had instructed Aleksey Kirichenko, chairman of the Soviet-Japan Mutual Understanding Association, to refrain from visiting Japan to establish the council to promote Japan-Soviet cultural exchanges on a private level. The council would include participation from the detainees association, legal associations, and red cross societies.

The Soviet Government had originally planned to give the list to Saito's organization over the demands of the

Japanese Government that such documents should be released through official channels rather than private organizations.

Meanwhile, in Sendai, a delegation from the Amursk Region of Siberia on Wednesday delivered a list of 1,255 Japanese detainees who died in prisoner of war camps to the Miyagi Prefectural Government. The register, written in Russian, listed the name, rank, date of death and funeral, and grave site of the POW's. Unlike previously released data, the list also recorded the hometowns and addresses of about 250 of the Japanese.

Among the names listed were nine Koreans who had been conscripted for service into the Japanese Imperial Army. It is believed that about 11,000 Koreans were held in Siberian camps following World War II.

Ministry Keeps Cap on International Air Fares

OW1203114991 Tokyo KYODO in English 1136 GMT 12 Mar 91

[Text] Tokyo, March 12 KYODO—Air fares for international flights to and from Japan will be kept at current levels for another six months to the end of September, the Transport Ministry said Tuesday.

The ministry will extend its stop-gap permission for a fare hike aimed at easing the pressure on airlines stemming from the fuel price spike amid the Persian Gulf crisis.

Under the measure, originally intended to cover the period from last December until the present month, airlines were allowed to raise fares for international services to and from Japan by 7 and 5 percent, respectively.

The ministry cited the continuously buoyant fuel prices and the recent overseas tourism slump as reasons for the six-month extension.

Government To Extend Yen Grant to Philippines

OW1403042791 Tokyo KYODO in English 0331 GMT 14 Mar 91

[Text] Tokyo, March 14 KYODO—Japan will extend a 3.5 billion yen grant-in-aid to the Philippines under an agreement concluded Thursday to help that country improve its balance of payments, the Foreign Ministry said. The nonproject grant will be used to help the country purchase oil, steel, and other necessary imports.

The aid is part of a three-year, 600 million U.S. dollar grant Japan pledged in the 1989 Paris summit of major industrial nations to support economic structural improvement efforts of African and other developing nations, and is the first application of the pledge in Asia, ministry officials said.

The grant was decided also in consideration of the adverse impact on the Philippine's economy of the oil price surge and other effects of the Persian Gulf crisis, they said.

Signing of notes on the grant took place in Manila on Thursday between Philippine Foreign Secretary Raul Manglapus and Japanese Ambassador to the Philippines Toshio Goto.

President Corazon Aquino made a request for such assistance when she came to Japan for the enthronement ceremony of Emperor Akihito in November last year, the officials said.

5.14 Billion Yen Grant Extended to Bangladesh

OW1203074891 Tokyo KYODO in English 0704 GMT 12 Mar 91

[Text] Tokyo, March 12 KYODO—Japan on Tuesday extended a 5.14 billion yen grant-in-aid to Bangladesh to help the country solve its accumulated debt problem, Foreign Ministry officials said.

The money compensates for the sum Dhaka was to repay for yen loans from Japan in the first half of fiscal 1990. The assistance will be used to purchase machine parts, agricultural goods and other necessities, the officials said.

Taxation Adjustment Treaty With Bulgaria Signed

OW1103083491 Tokyo KYODO in English 0751 GMT 11 Mar 91

[Text] Tokyo, March 11 KYODO—Japan and Bulgaria have ratified a treaty to adjust their bilateral taxation system to avoid double taxing and tax evasion, the Foreign Ministry said Monday. Last week's signing in Sofia now means Japan has such tax adjustment agreements with all Eastern European nations except Yugoslavia and Albania, it said.

The legal adjustments are expected to help Japan boost its trade and investment in Eastern Europe, the ministry said.

Fujitsu Plans To Initiate Operations in Mexico

OW1203113791 Tokyo KYODO in English 1122 GMT 12 Mar 91

[Text] Mexico City, March 12 KYODO—Fujitsu Ltd. has plans to begin operations in Mexico to participate in the planned North American Free Trading Bloc, the head of Japan's leading computer maker said Tuesday. Fujitsu Chairman Takuma Yamamoto said he visited Mexican President Carlos Salinas de Gortari to ask for permission for the company's plan to open a representative office in Mexico City in April and to start transmitter assembly within the year.

Fujitsu won an 8 million dollar contract to install fiber cable in September last year from Mexico's state-run telecommunications corporation.

Cause of Mihama Nuclear Plant Accident Not Known

OW1303192091 Tokyo NHK General Television Network in Japanese 1000 GMT 12 Mar 91

[Text] Regarding the accident of the No. 2 reactor at Kansai Power Company's Mihama Nuclear Power

Genetating Station in Fukui Prefecture, the Ministry of International Trade and Industry's special investigation comittee, composed of a group of specialists, including scholars, made an on-site investigation today. In a news conference following the investigation, Kunihiro Iida, chief of the committee, said: We do not know why only one of the eight small pipes, for which metal fittings were not installed as designed, was damaged. The metal fittings are designed to prevent vibration of the small pipes. The accident may be attributed to something other than the vibration preventing metal fittings so we would like to carry out further, detailed investigations.

MITI To Decide Oil Supply Guidelines on 27 Mar

OW1303123791 Tokyo KYODO in English 1046 GMT 13 Mar 91

[Text] Tokyo, march 13 KYODO—The Ministry of International Trade and Industry [MITI] will decide on March 27 provisional oil supply guidelines for the first half of fiscal 1991, ministry officials said Wednesday.

The officials said the decision will be made by a subcommittee of the Petroleum Council.

They said the ministry decided to set provisional guidelines in view of uncertainty such as destruction of oil facilities in Kuwait by Iraqi forces and a halt in oil imports from Kuwait.

The council normally sets guidelines for a five-year period.

The officials said the growth rate in oil demand for the first half of fiscal 1991, covering a six-month period from April to September, will be set at 3.6 percent more than the same period last year. Production of oil products will be set at about 5 percent higher than last year because imports from Kuwait remain halted, the officials said.

Oil Distributors To Lower Wholesale Oil Prices

OW1303123191 Tokyo KYODO in English 1043 GMT 13 Mar 91

[Text] Tokyo, March 13 KYODO—Japanese oil distributors said Wednesday they will lower wholesale prices of oil products, including gasoline and kerosene oil, to keep pace with a decline in crude oil prices. The companies, including Idemitsu Kosan Co., said prices of oil products will be slashed by 3.50 yen to 4.08 yen per liter.

All distributors, except Nippon Oil, will enforce the price cut on Saturday. Nippon Oil will cut its prices March 20. It will be the fourth straight month that oil distributors cut their oil product prices.

Under instructions from the government, oil distributors have changed prices of oil products in accordance with fluctuations of crude oil prices since the outbreak of the Persian Gulf war.

The new prices will be more than 1 yen lower per liter than those before the Gulf crisis.

Industry sources said with the lowering of wholesale prices, gasoline prices at gas stations will decline 3-4 yen per liter for a nationwide average of 124-125 yen per liter. The gasoline price cut will intensify discount sales, triggered by the end of the Persian Gulf war, among gas stations in the Tokyo Metropolitan Area, the sources said.

Oil distributors said they will retain the current system of revising prices of oil products in accordance with fluctuations of crude oil prices beyond April.

The Ministry of International Trade and Industry, which monitors price movements, welcomed their decision.

Suzuki Refuses To Drop Gubernatorial Candidacy

OW1303150191 Tokyo KYODO in English 1433 GMT 13 Mar 91

[Text] Tokyo, March 13 KYODO—Tokyo Governor Shunichi Suzuki on Wednesday rejected a request from Prime Minister Toshiki Kaifu to withdraw his candidacy in the upcoming Tokyo gubernatorial election.

Kaifu hastily arranged a meeting with Suzuki in a last-ditch effort to avert a decisive split within the ruling Liberal Democratic Party (LDP) before the election campaign officially starts next Monday.

After the 30-minute meeting, Kaifu told reporters that he asked Suzuki to understand the need for the party to unite behind a single candidate but failed to reach agreement.

"We have already missed the chance to find a solution. It is too late to withdraw my candidacy," Suzuki told reporters. He also emphasized that he would not meet Kaifu again.

Suzuki is backed by the Tokyo chapters of both the LDP and the centrist Democratic Socialist Party (DSP). Former television anchorman Hisanori Isomura is backed by the national headquarters of the LDP and DSP, as well as by Komeito.

The 80-year-old incumbent is seeking re-election for a fourth four-year term.

Before Wednesday's talks, Kaifu had avoided Suzuki and had entrusted LDP Secretary General Ichiro Ozawa with handling the matter.

Kaifu also canceled his attendance at a ceremony to officially mark the completion of the new Tokyo Metropolitan Government office buildings in Shinjuku, central Tokyo, on Saturday. But the prime minister was forced to meet Suzuki after recent polls showed the incumbent leading Isomura, political sources said. In a survey conducted by KYODO NEWS SERVICE, Suzuki was backed by nearly 50 percent of LDP supporters.

One reason for Suzuki's popularity, according to the sources, is that Ozawa's remark that the LDP was withdrawing its support for him because he is "too old" and backing the 61-year-old Isomura instead struck many voters as distasteful and has put them off voting for Isomura.

LDP, Opposition To Discuss Consumption Tax

OW1303145991 Tokyo NHK General Television Network in Japanese 1000 GMT 12 Mar 91

[Text] A tripartite meeting was held on 12 March by people responsible for policy issues of the Liberal Democratic Party [LDP], Japan Socialist Party [JSP], Komeito, and Democratic Socialist Party [DSP]. They agreed to hold a ruling-opposition party tax system consultative council meeting soon to urgently discuss the pending issue of consumption tax.

Accepting a request from the Japan Private Sector Trade Union Confederaton and the General Federation of Japan Labor Unions on policy issues, the three opposition parties—the JSP, Komeito ,and the DSP—called on the LDP to hold a meeting. Regarding the six- point request, apart from the consumption tax issue, they decided to hold another meeting on 13 March.

Semiconductor Users Asked To Buy Foreign Chips

OW1203124991 Tokyo KYODO in English 1218 GMT 12 Mar 91

[Text] Tokyo, March 12 KYODO—The Ministry of International Trade and Industry (MITI) asked major Japanese semiconductor users Tuesday to buy more foreign-made computer chips, ministry officials said.

The officials said the request was made as the five-year Japan- U.S. semiconductor agreement aimed at enhancing foreign access to the Japanese market expires in July.

They said the ministry summoned about 180 trading firms and other major users of semiconductors to a meeting at the ministry Tuesday to make the request. At the meeting, a senior ministry official reportedly stressed the need for Japan to continue efforts to expand its market for foreign semiconductor makers regardless of the outcome of ongoing negotiations on a new pact between Japan and the U.S. The ministry also asked Japanese users to re-examine their market access plans and regularly monitor their purchases of imported semiconductors to document their use of foreign-made chips, the officials said.

Report Claims Japan Dominant in Global Finance

OW1403092591 Tokyo KYODO in English 0812 GMT 14 Mar 91

[Text] Tokyo, March 14 KYODO—Japanese banks and companies remain the most prominent players in the global financial market, though their presence has been waning due to the 1990 stock market slump and the growing restraint of bankers in lending, according to a Bank of Japan (BOJ) report released Thursday. The report, based on studies by the Bank for International Settlements (BIS), found Japanese bankers maintain a dominant 30 percent share in the international banking market after they expanded vigorously amid financial deregulation and the yen's sharp appreciation in the 1980s.

The balance of lending by Japanese banks vaulted 4.5-fold from the end of 1983 to the end of last September, to 2,071.5 billion dollars, far outpacing that by U.S. and German banks. Their lending balance accounted for 36.0 percent of the loans balance of banks worldwide, which grew 2.7-fold during the seven- year period to 5,748.7 billion dollars up to September. The percentage figure represents a slight setback for Japanese banks from a 39.4 percent share recorded in early 1989, but is still considerably bigger than 12.0 percent for U.S. and 9.6 percent for German banks.

The report attributed the minor retreat to growing prudence toward lending in the Japanese banking sector, which suffered the so-called "triple declines" in stocks, bonds, and the yen in early 1990, as well as to the Persian Gulf crisis and the share price plunge that followed.

A BIS-imposed obligation to expand their capital base to required levels by the 1993 deadline has also made Japanese bankers more cautious toward asset expansion. To meet the capital adequacy requirements set by "the central banks' bank," they are keener on raising capital, as illustrated by their massive issues of subordinated loans since their introduction last June.

The BOJ report also noted that the rapid growth of European banks ahead of the 1992 regional market integration also makes the presence of Japanese bankers seem less conspicuous. But Japan's clout is also evident in the international capital market where Japanese companies are aggressively pursuing equity financing, or fund-raising through securities issues.

At the end of September, Japanese banks and companies accounted for 21.4 percent of the balance of the global capital market, which totaled 1,413.6 billion dollars. But the stock market debacle in Japan has made a dent in their growth. The report showed fund-raising activities by the Japanese totaled 33.6 billion dollars in 1990, substantially down from 83.8 billion dollars in the previous year.

FY 1990 Earning of Listed Firms Expected To Drop

OW1103083591 Tokyo KYODO in English 0747 GMT 11 Mar 91

[Text] Tokyo, March 11 KYODO—Earnings by all Japan's major companies will post the first decline in four years in fiscal 1990, ending March 31, with nearly 40 percent of them setting new records for their pretax profits, according to separate forecasts published by two private think tanks Monday.

The New Japan Securities Research Institute projected a 4.7 percent drop in pretax profits by all firms listed on the Tokyo Stock Exchange, excluding banks and securities houses, while the Sanyo Investment Research predicted all-industry profits will suffer a 4.0 percent decrease. They blamed high interest rates and the economic recession in the United States for the poor outlook, which compared with an 8.4 percent increase in pretax profits in fiscal 1989.

While the research arm of New Japan Securities Co. forecast record profits for 39.1 percent of listed companies, Sanyo Investment Research, affiliated with Sanyo Securities Co., put the figure at 38.8 percent.

In fiscal 1989, which ended March 31 1990, 50.8 percent of listed firms set new records for their earnings.

Construction, storage, and major property companies were prominent pace setters, despite a common perception that builders and real estate developers are most vulnerable to the current high rates, according to the research subsidiary of New Nippon Securities.

Higher Corporate Profits Forecast in FY 1991

OW1303135091 Tokyo KYODO in English 1023 GMT 13 Mar 91

[Text] Tokyo, March 13 KYODO—Lower oil prices and interest rates will enable Japanese businesses to free from 1990's slump and report a pretax profit growth of 4.0 to 5.8 percent in fiscal 1991, which ends on March 31, 1992, according to surveys released by major securities houses' research arms by Wednesday. The surveys, conducted by the Research Institutes of Nomura, Daiwa, Nikko, and Yamaichi Securities Companies, covered 2,031 companies, excluding banks, securities houses, and insurance firms, listed on the first section of the Tokyo Stock Exchange.

The institutes said pretax profits will fall 3.2 to 7.6 percent in fiscal 1990 from the previous year, the first drop in four years. The lackluster performance is attributable mainly to higher interest rates and oil prices, the institutes said. A slump in the U.S. economy and the adverse effect of the Persian Gulf war also helped squeeze corporate profits, they said.

Auto and electrical appliance manufacturers will suffer from drops in exports to the United States in fiscal 1990. Pretax profits of nonmanufacturing companies, such as electric power and gas firms, will drop sharply, while those of airlines will see a fall in the number of passengers.

Corporate profits will recover sharply in the second half of fiscal 1991 after declining in the first half, the four institutes said.

Keidanren Chief Encourages Individual Investment

OW1203131791 Tokyo KYODO in English 1243 GMT 12 Mar 91

[Text] Tokyo, March 12 KYODO—Minoru Nagaoka, president of the Tokyo Stock Exchange (TSE), asked business executives on Tuesday to cooperate in attracting more individual investors to the market.

Speaking at a meeting of executive members of the Federation of Economic Organizations (Keidanren), Nagaoka said lowering the minimum stock trading unit from the present 1,000 shares to 100 shares and making dividend payments more competitive with those abroad would help lure individual players to the TSE.

Nagaoka warned that a dearth of individual investors will make it increasingly difficult for companies to secure affordable capital.

EPA Head Sees Need for Investment Stimulation

OW1403093091 Tokyo KYODO in English 0835 GMT 14 Mar 91

[Text] Tokyo, March 14 KYODO—The head of the Economic Planning Agency [EPA], Michio Ochi, told the Diet Thursday he sees the need to stimulate corporate capital investment for sustained growth of the domestic economy. Ochi told the House of Representatives budget committee he considers it necessary to create an investment-stimulating environment. Citing surveys by private organizations, he said most enterprises foresee a weak 1-2 percent yearly growth in capital investment in fiscal 1991.

His remarks were viewed as reflecting his concern that corporate capital investment in fiscal 1991 may fall short of a government estimate for annual growth of 6.8 percent.

Ochi declined comment on whether an easy credit monetary policy should be instituted to encourage capital investment.

Referring to an increasing number of corporate failures since the beginning of this year, Ochi said the so-called "bubble economy" appears to be facing a period of correction.

Wholesale Prices Decline in February

OW1403100491 Tokyo KYODO in English 0920 GMT 14 Mar 91

[Text] Tokyo, March 14 KYODO—Japan's overall wholesale prices edged down 0.4 percent in February from the previous month, for the first decline in seven months, while showing a 1.6 percent gain from a year earlier, the Bank of Japan reported Thursday.

Domestic prices remained unchanged from January because a decline in petroleum and related product prices offset a rise in prices of processed foods, central bank officials said.

On a year-to-year basis, domestic prices went up 2.4 percent, however.

Import prices dropped 5.5 percent from the preceding month thanks to a big drop in costs of crude oil and related products such as naphtha, although they rose 0.9 percent from a year earlier. Export prices, meanwhile, fell 1.3 percent from January and 4.4 percent from the year earlier.

Average Household Savings Grow 3.2 Percent

OW1403095691 Tokyo KYODO in English 0908 GMT 14 Mar 91

[Text] Tokyo, March 14 KYODO—The average household savings in Japan grew 3.2 percent in 1990 from a year earlier to 13.53 million yen, according to government data released Thursday. The figure reflects an average for the total number of households, including some with savings of more than 20 million yen. Most wage-earning families, however, reported savings of between 2 million and 3 million yen, the Management and Coordination Agency report said.

The report was based on a survey of 6,300 households across the nation.

Savings held by the average salaried worker's household gained 5.6 percent to 10.51 million yen, hitting the 10 million yen level for the first time. However, the growth rate was slower than in 1989 when the rate was 9.7 percent, agency officials said.

The annual income of the average Japanese household was 6.94 million yen in the year.

Savings in the form of securities decreased 14.7 percent in 1990 from the previous year to 2.0 million yen, while time deposits gained 20.2 percent t[illegible]4.4 million yen. The sharp decline in securities was attributed to the slump in stock markets and adverse effects of the Persian Gulf crisis. As a result, more money flowed into time deposits, agency officials said.

Accumulated debts of salaried workers' households averaged 3.4 million yen, up 4.5 percent from the previous year. Housing mortgages and loans on land purchases represented 3.09 million yen of the total debts. More than 37 percent of wage earners' households had such loans, with their outstanding balance amounting to 8.68 million yen, the report said.

Mitsubishi To Buy Fuji Kosan's Oil Subsidiary

OW1303140991 Tokyo KYODO in English 1135 GMT 13 Mar 91

[Text] Tokyo, March 13 KYODO—Mitsubishi Corp. is negotiating with debt-ridden Fuji Kosan Co. to purchase the latter's oil subsidiary in a move to bolster its oil distribution business, Mitsubishi officials said Wednesday. The major trading company said the negotiations involve the purchase of Onahama Oil Co., an oil refining subsidiary of Fuji Kosan, which is an oil company dealing mainly in lubricants and fuel oil.

The purchase price is estimated at 40-50 billion yen, the officials said.

The purchase, which is scheduled to be formalized around September, will allow Mitsubishi to acquire 15 oil storage tanks owned by Onahama in Iwaki, Fukushima Prefecture. It will help Fuji Kosan reduce its debts totaling about 180 billion yen, they said.

Under the deal, Mitsubishi will purchase a 90 percent equity stake in Onahama from Fuji Kosan and Kainan Oil Refining, a member of the Fuji Kosan group. The officials said Fuji Kosan owns 50 percent of Onahama's outstanding shares. Kainan Oil Refining holds a 45 percent interest in Onahama and it will retain a 5 percent equity in Onahama. Mitsubishi will repay Onahama's debt, which tops 20 billion yen, to Fuji Kosan, they said.

Mitsubishi Kasei To Sell Optical Disks in U.S.

OW1303123691 Tokyo KYODO in English 1102 GMT 13 Mar 91

[Text] Tokyo, March 13 KYODO—Mitsubishi Kasei Corp. said Wednesday it will begin selling 3.5-inch optical disks for personal computer users in Japan late this month. This is in response to the launch of 3.5-inch optical disk drives by IBM Japan Ltd. late this month, company officials said.

The officials said the 3.5-inch optical disk is ideal for personal computer users who require larger memory devices. A 3.5-inch optical disk has a storage capacity about 90 times larger than a 3.5-inch floppy disk currently on the market, officials said. The device meets specifications set by the International Standards Organization, a Geneva-based group that sets rules on information processing standards worldwide, officials said.

The company plans to sell the new optical memory device in the United States and Europe this summer. Sales for the first year are forecast to reach 1 billion yen, officials said.

North Korea

Chon In-chol, Delegation Conclude Talks in Japan

Further Talks in Beijing, Mid-May

SK1303155991 Pyongyang KCNA in English 1510 GMT 13 Mar 91

[Text] Tokyo March 13 (KCNA correspondent)—Talks were held here today between Chon In-chol, vice-minister of foreign affairs who is heading the DPRK Government delegation to the intergovernmental full-dress talks for the normalization of DPRK-Japan diplomatic relations, and Noboru Nakahira, specially appointed ambassador at vice-minister level of the Foreign Ministry who is heading the Japanese Government delegation.

At the talks it was decided to have the third round of the intergovernmental full-dress talks in Beijing in mid-May.

Meeting With Social Democrats

SK1303160191 Pyongyang KCNA in English 1518 GMT 13 Mar 91

[Text] Tokyo March 13 (KCNA correspondent)—Vice-minister of Foreign Affairs Chon In-chol, head of the DPRK Government delegation, who had participated in the second round of the intergovernmental full-dress talks for the normalisation of DPRK-Japan diplomatic relations met and conversed here today with

Social-Democratic [SDP] member of the House of Representatives Makoto Tanabe, vice-chairman of the Central Executive Committee of the SDP.

Also present there were Social-Democratic members of the House of Representatives Sadao Yamahana, deputy general secretary, Taneaki Tanami, director of the Information Department of the SDP, and Social-Democratic member of the House of Councillors Hajime Fukada, director of the People's Movement Department of the SDP.

Delegation Departs

SK1403063691 Pyongyang KCNA in English 0533 GMT 14 Mar 91

[Text] Tokyo March 14 (KCNA Correspondent)—The government delegation of the Democratic People's Republic of Korea led by Chon In-chol, vice-minister of foreign affairs, left Tokyo this morning by plane after participating in the second round of the intergovernmental full-dress talks for the normalisation of the DPRK-Japan diplomatic relations.

It was seen off at the airport by Noboru Nakahira, specially appointed ambassador of vice-minister level of the Foreign Ministry of Japan, and other officials concerned.

Also present were first Vice-chairman Yi Chin-kyu, Vice-chairman Pak Chae-no, the director of the International Department of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) and other officials of Chongnyon and Koreans in Japan.

Japanese Official Comments

SK1403124891 Pyongyang KCNA in English 1032 GMT 14 Mar 91

[Text] Tokyo March 14 (KCNA correspondent)—Takakazu Kuriyama, permanent vice-minister of foreign affairs of Japan, met Wednesday at the Foreign Ministry Office with reporters accompanying the DPRK Government delegation to the second inter-governmental full-dress talks for the normalization of DPRK-Japan diplomatic relations.

He answered questions put by reporters.

Referring to the prospect of the talks he said since the talks have been held only twice, in Pyongyang and in Tokyo, it has just made the start. There can, of course, be differences between the two countries because they have had abnormal relations for many years, he added.

He expressed the belief that the differences would be overcome before long, provided that both sides promoted the negotiations with sincerity, conscious of the historic significance of the normalization of diplomatic relations. Noting that the negotiations between the sides had entered the full-dress stage, he said the Japanese side would make sincere efforts for a success of the talks.

Pointing out that confrontation and tension continue between countries and nations in northeast Asia including the Korean Peninsula and other regions, he noted that it is necessary to strengthen international cooperation to remove such disputes, confrontation and tension.

An Asian country, Japan will make every possible effort to this end, he declared.

WPK Delegation Pays Visit to Japan 20-27 Feb

Youth Agreement Signed

SK1303054791 Pyongyang KCNA in English 0521 GMT 13 Mar 91

[Text] Pyongyang March 13 (KCNA)—Agreements on the development of friendly relations between the League of Socialist Working Youth of Korea (LSWYK) and the Council of Young Men's Associations of Japan and the Youth Measure Department of the Headquarters of the Buraku Liberation League and the Youth and Children's Department of the Japan Social-Democratic Party were signed in Tokyo on February 25 and 26 during the visit to Japan of the delegation of the Workers' Party of Korea.

The agreements were signed by Choe Hyon-tok, vice-chairman of the Central Committee of the LSWYK, on behalf of its central committee, Mikio Aoki, president of the Council of Young Men's Associations of Japan, on behalf of the council, Toshihiko Nakajima, director of the Youth Measure Department of the Headquarters of the Buraku Liberation League, on behalf of the department and Hironari Ushikoshi, director of the Youth and Children's Department of the Japan Social-Democratic Party, on behalf of the department.

According to the agreements, the above-mentioned youth organisations confirmed that the normalisation of DPRK-Japan diplomatic relations and the independent and peaceful reunification of Korea would greatly contribute to peace and stability in Asia and evinced their resolution to strive for its early realisation.

The documents also specify the matter of regular exchanges of delegations aimed at mutual exchange from 1991 in order to further strengthen friendship and solidarity between these organisations.

It was decided among the organisations to step up the exchanges of publications as well as culture and art so as to deepen mutual understanding.

NODONG SINMUN Reports Results

SK1403051891 Pyongyang KCNA in English 0422 GMT 14 Mar 91

["On Results of WPK (Worker's Party of Korea) Delegation's Visit to Japan"—KCNA headline]

[Text] Pyongyang March 14 (KCNA)—NODONG SINMUN, the organ of the Central Committee of the Workers' Party of Korea, today carries a report on the results of the WPK delegation's recent visit to Japan.

Following is the full text of the report:

A delegation of the Workers' Party of Korea headed by Comrade Kim Yong-sun, secretary of the C.C. [Central Committee], WPK, vice-chairman of the Foreign Affairs Committee of the Supreme People's Assembly (SPA) of the Democratic People's Republic of Korea and deputy to the SPA, paid an official visit to Japan from February 20 to 27, 1991, at the invitation of the Liberal Democratic Party (LDP) and the Social-Democratic Party (SDP) of Japan.

The LDP, SDP and other political parties, social organizations and people of all social standings of Japan warmly greeted the WPK delegation and accorded it warm and sincere welcome and hospitality.

This is an expression of their particular sincerity toward the WPK delegation and a manifestation of the Japanese people's desire to establish friendship with the Korean people.

During the visit the WPK delegation had meetings and talks with the LDP, SDP and other political parties, social organizations and personages of broad strata of Japan.

Japanese Prime Minister Toshiki Kaifu, president of the Liberal Democratic Party, met with the WPK delegation.

On the occasion the head of the WPK delegation forwarded to President Toshiki Kaifu a personal letter from the great leader Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, in reply to the former's personal letter conveyed through former Deputy Prime Minister Shin Kanemaru in September last year which expressed deep repentance of and regret at the misfortunes Japan had imposed on Korea in the past and hoped for the improvement of relations between Korea and Japan.

President Toshiki Kaifu expressed sincere thanks for the reply letter of the respected leader Comrade Kim Il-song and asked the head of the delegation to convey his warm regards to the leader.

Ichiro Ozawa, general secretary of the Liberal Democratic Party, met with the WPK delegation.

The head of the delegation conveyed warm greetings of the great leader Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea, and of Comrade Kim Chong- il, member of the Presidium of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, to General Secretary Ichiro Ozawa.

General Secretary Ichiro Ozawa expressed deep thanks for this and asked the head of the delegation to forward his warm greetings to the great leader Comrade Kim Il-song and Comrade Kim Chong-il.

Takako Doi, chairperson of the Central Executive Committee of the Japan Social-Democratic Party, met with the WPK delegation.

The head of the delegation conveyed warm greetings of the great leader Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea, and of Comrade Kim Chong- il, member of the Presidium of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, to Chairperson Takako Doi.

Chairperson Takako Doi expressed deep thanks to the respected leader Comrade Kim Il-song and Comrade Kim Chong-il for this and asked the head of the delegation to convey her warm regards to them.

The head of the WPK delegation held talks with General Secretary Ichiro Ozawa, President of the General Affairs Council Takeo Nishioka and President of the Policy Affairs Research Council Mutsuki Kato who are members of the House of Representatives and three key officials of the LDP, and met and talked with former Deputy Prime Minister Shin Kanemaru, former Prime Minister Noboru Takeshita, former Minister of Finance Michio Watanabe, former Deputy Prime Minister Kiichi Miyazawa and other leading officials of the LDP and Foreign Minister Taro Nakayama.

During the visit talks were held between the WPK delegation and the SDP delegation, and the head of the WPK delegation met and had talks with the leading cadres of the SDP including member of the House of Representatives Makoto Tanabe and member of the House of Councillors Wataru Kubo who are vice-chairmen of the Central Executive Committee of the SDP and member of the House of Representatives Tsuruo Yamaguchi, general secretary of the SDP.

At all the conversations and talks between the WPK delegation and leading officials of the LDP and SDP of Japan which were held in an amicable, friendly atmosphere, they informed each other of their parties' activities and broadly exchanged views on the questions of bringing close the inter-party relations on the principles of independence, equality and reciprocity and of strengthening friendship between the peoples of the DPRK and Japan, the question of achieving peace in Asia, peace and reunification on the Korean Peninsula in particular, and other matters of common concern, and they reached a unanimity of views on developing exchange and cooperation in the future.

Accordingly, an agreement on the development of exchange and cooperation between the WPK and the LDP of Japan and an agreement on the expansion of exchanges between the WPK and the SDP of Japan were signed.

The agreements will contribute to bringing close exchange and cooperation between the WPK and LDP, between the WPK and SDP, to developing the good neighbourly relations of friendship between the Korean and Japanese peoples and thereby to improving the DPRK-Japan relations and guaranteeing peace in Asia and the rest of the world.

In the spirit of the agreements signed between the WPK and LDP, between the WPK and SDP, a regular exchange of informations on their parties' activities and major international issues will be conducted between them and various forms of delegations' travels and exchanges in many sectors including culture, art, sports and economic technologies between the two countries will expand and develop in the future.

While staying in Japan, the WPK delegation met and had friendly talks with the chairman of the Komei Party, the leader of the United Social Democratic Party and the general secretary of the Democratic Socialist Party and figures of trade union organizations including the Japanese Trade Union Confederation (Rengo), youth organizations, women's organizations, the society for Japan-Korea cultural interchange and the financial and press circles of Japan.

The Dietmen's League for the Promotion of Japan-Korea Friendship, a supra-partisan organization embracing parliamentarians of political parties including the LDP and the SDP, held a general meeting to elect its supreme advisors, advisors, chairman and officials during the delegation's visit to Japan and welcomed the visiting delegation at a meeting.

The participants expressed their determination to make an active contribution to improving Japan-DPRK relations and strengthening friendship between the Korean and Japanese peoples in the future.

At its meetings, conversations, talks, interviews and lectures with prominent figures from different sections and men of the press of Japan, the WPK delegation elaborated on the peculiar man-centered socialism of Korean style in which the leader, the party and the masses are united with one mind forming a socio-political organism which the Korean people have built by applying the chuche idea under the wise guidance of the great leader Comrade Kim Il-song and the situation on the Korean Peninsula, the proposal for the independent and peaceful reunification of the country, the ideal of foreign policy based on independence, peace and friendship and the principled stand of the WPK on DPRK-Japan relations.

Japanese figures of broad segments expressed sympathy with it and manifested their will and desire to work for common prosperity on the principle of mutual respect and equality and hope for the reunification of Korea.

The WPK delegation and figures of the LDP and SDP and other political parties, social organizations and financial and press circles of Japan welcomed in unison the three-party joint declaration of the WPK, LDP and SDP of Japan on DPRK-Japan relations published in Pyongyang in September last year and noted with pleasure that DPRK-Japan relations which had remained long in an abnormal state entered into a new road of improvement with it as an occasion.

The WPK delegation, the LDP, the SDP and other political parties, organizations and figures from different sections of Japan, setting store by the first step taken in DPRK-Japan relations with much difficulty, expressed the hope that the intergovernmental talks for the normalization of diplomatic relations will progress successfully in the spirit of sincerity and understanding on the principles of complete independence, mutual respect and reciprocity.

At the meetings between the WPK delegation and the LDP and the SDP and other political parties and figures of broad strata of Japan the view was manifested that it is conducive to peace of Korea and her peaceful reunification to realise the normalization of DPRK-Japan diplomatic relations in accordance with the conception that "Korea is one !"

To normalize DPRK-Japan relations is the unanimous desire and aspirations of the Korean and Japanese peoples who want the two countries to live in peace and on friendly terms as near and close countries, not as near yet far-away countries.

The improvement of DPRK-Japan diplomatic relations and development of good-neighbourly friendly relations between parties conform to the demand and interests of the two peoples and, furthermore, greatly contribute to building a free and prosperous, New Asia.

The Japan visit of the WPK delegation at the invitation of the Liberal Democratic Party and the Social-Democratic Party of Japan contributed to making close the relations between the WPK, and LDP, SDP and other political parties and organisations of all strata, strengthening friendship between the Korean and Japanese peoples and defending peace in Asia.

During its stay in Japan the WPK delegation met with officials of the General Association of Korean Residents in Japan (Chongnyon) and other Koreans in Japan and received warm compatriotic welcome from them.

The Workers' Party of Korea expressed satisfaction over the good fruition borne by its delegation's visit to Japan amid deep interest of the LDP, SDP and other political parties and prominent figures of political, financial, social and press circles of Japan.

The WPK manifests the conviction that expanding and developing the relations between the WPK and the LDP, SDP and other political parties of Japan in accordance with the spirit agreed upon at the meetings, conversations and talks during the delegation's Japan visit will contribute to improving DPRK-Japan relations and promoting common prosperity of Asia and the cause of world peace.

Reportage on Indonesian Parliamentary Group Visit

Delegation Arrives 12 Mar

SK1203160291 Pyongyang KCNA in English 1520 GMT 12 Mar 91

[Text] Pyongyang March 12 (KCNA)—An Indonesian parliamentary delegation headed by its deputy speaker Saiful Sulun arrived here today.

It was met at the airport by Vice-Chairman of the Supreme People's Assembly Paek In-chun, other officials concerned and the charge d'affaires ad interim of the Indonesian Embassy here.

Received by Kim Il-song

SK1403112991 Pyongyang KCNA in English 1027 GMT 14 Mar 91

[Text] Pyongyang March 14 (KCNA)—The great leader President Kim Il-song today received the Indonesian parliamentary delegation headed by Deputy Speaker Saiful Sulun on a visit to Korea.

Present on the occasion were Vice-premier and Foreign Minister Kim Yong-nam, Chairman Yang Hyong-sop and Vice-chairman Paek In-chun of the Supreme People's Assembly.

Indonesian Ambassador E.P. to Korea R. Muhamed Muharam Sumadipraja was also present.

President Kim Il-song had a cordial and friendly talk with the guests.

The guests presented a gift to President Kim Il-song.

Kim Il-song Receives New Indonesian Envoy

SK1403113691 Pyongyang KCNA in English 1029 GMT 14 Mar 91

Pyongyang March 14 (KCNA)—New Indonesian Ambassador E.P. to Korea R. Muhamed Muharam Sumadipraja today presented his credentials to the great leader Comrade Kim Il-song, president of the Democratic People's Republic of Korea.

Present there were Vice-Premier and Foreign Minister Kim Yong-nam and officials of the Indonesian Embassy here. President Kim Il-song conversed with the ambassador after receiving the credentials.

Kang Sok-chu Meets Envoy

SK1103130991 Pyongyang KCNA in English 1055 GMT 11 Mar 91

[Text] Pyongang March 11 (KCNA)—Kang Sok-chu, first vice-minister of foreign affairs, today met and had a conversation with R. Muhamed Muharam Sumadipradja, new Indonesian ambassador E.P. to Korea, when the latter paid a courtesy call on him.

So Kwan-hui Speaks on Agrarian Reform 4 Mar

SK1203092291 Pyongyang Domestic Service in Korean 1100 GMT 4 Mar 91

[Speech by So Kwan-hui, secretary of the Central Committee of the Workers Party of Korea (WPK), at a national meeting marking the 45th anniversary of the agrarian reform law held at the People's Hall of Culture in Pyongyang on 4 March—recorded]

[Text] Comrades, today our people are vigorously accelerating the march of the nineties under the wise leadership of the party and the leader, and are highly demonstrating the superiority of socialism in our country, overflowing with optimism and a firm conviction in the victory of the revolution. Under these circumstances, we mark the 45th anniversary of the promulgation of the historic law on agrarian reform.

Marking this day, all of our people and agricultural workers are proudly recalling the victorious course of resolving the land problem which is shining in the proud history of the chuche cause. We are filled with a firm resolution to more vigorously accelerate the struggle for the ultimate solution of agricultural problems by following the leadership of the party.

The solution to the land problem is a priority task in the stage of anti-imperialist, antifeudal democratic revolution. The solution of the land problem in such nations as ours, where the number of peasants reached the majority of the population in the past, and where agricultural production constituted the basis of the national economy, is of special significance in guaranteeing the democratic development of society, and in pushing the building of the overall national economy.

Thanks to the great leader Comrade Kim Il-song's chuche-oriented program of land revolution and wise leadership, the land problem in our country has been brilliantly solved in our own creative way. [applause]

The great leader Comrade Kim Il-song elucidated a new way for the independent development of our revolution under the banner of the chuche idea at an early date. He defined the characteristics of the Korean revolution as the anti-imperialist, antifeudal, and democratic revolution, and put forward the solution of the land problem as a priority task for this revolution. With deep penetration into the long-cherished desire of our peasants toward the party, he showed the correct solution of the land problem.

The anti-Japanese armed struggle, organized and led by the great leader Comrade Kim Il-song, was a sacred liberation war to rescue the nation and the people and at the same time, was a most active struggle to realize the independent desire of the people and the agricultural masses for a new society free from exploitation and oppression. It was a glorious struggle which registered a great turning point in our people's struggle for a solution to the question of peasants and agriculture. [applause]

During the period of the anti-Japanese armed struggle, the great leader Comrade Kim Il-song took an epochal step to distribute the land free of charge to the peasants living in the area as the first policy of the popular revolutionary government which was established within the liberated area around the guerrilla units. Thus, he created a brilliant model for the solution of the question of land, and clearly elucidated the revolutionary principle in the 10-point programs of the Fatherland Restoration Society [FRS] for the solution of the land problem, and the method for implementation of this principle.

The deep and firm historic root for the solution of the land problem, which was realized by the great leader

Comrade Kim Il-song amid flames of the heroic anti-Japanese armed struggle, served as a firm guarantee for successfully carrying out such an enormous and serious revolutionary reform as the agrarian reform after the liberation of the country.

The law on agrarian reform, which was promulgated as the first step for democratic reform in our country, was direct inheritance and brilliant embodiment of the land program expounded in the 10-point programs of the FRS during the period of the anti-Japanese armed revolutionary struggle.

After the liberation of the country the great leader Comrade Kim Il-song put forward implementation of the anti-imperialist, antifeudal democratic revolution as a priority struggle program for building a new society, and raised the solution of the land problem as the priority task for the revolution.

The great leader Comrade Kim Il-song has taught: Agrarian reform is a priority revolutionary task for resolving questions on peasants and agriculture in the democratic revolution.

The precise solution of the land problem in the northern half of the Republic after the liberation of the country was raised as a demand for the development of our society and as an urgent revolutionary task which should not be delayed.

Only when the land problem was solved, could the economic foundation of the reactionary forces which had taken root in farming, be removed, and the peasants be emancipated from feudal exploitation and oppression. Thus, agricultural productivity was developed rapidly, and the social and political foundation for democratizing the overall political, economic, and cultural life of the nation was strengthened.

The agrarian reform, which was designed to eliminate the feudal exploitation and the class of landowners which has dominated the farm for a long period of time, was a serious social and economic reform which could not be successfully accomplished without sufficient preparatory work and preconditions.

After the liberation of the nation the great leader Comrade Kim Il-song expounded all the questions of principle in the solution of the land problem with a deep penetration into the requirements of the law governing the socioeconomic development of our country, the tasks of our revolution, the class relations in the countryside, and the desire of peasants, and energetically led the preparations for agrarian reform.

Our party consolidated, above all, the power organizations of the nation so that the tasks of the serious class struggle could be successfully implemented. At the same time, our party awakened the agricultural masses politically and united them organizationally. Thus, our party directed great strength to preparing them so that they actively rose in the struggle against the landowners. Such steps insured the overwhelming superiority of revolutionary forces over reactionary forces in implementing the agrarian reform, and enabled one to firmly guarantee the victory in the agrarian reform by smashing various antirevolutionary maneuvers of the enemy.

The great leader Comrade Kim Il-song, who brought to fruition various conditions for the solution of the land problem, saw to it that a survey on nationwide land ownership and the actual status of cultivation was carried out before the agrarian reform was put into practice. At the same time, he personally visited many local areas including Taedong County, South Pyongan Province, to have a concrete idea of the situation on the farms, the desire of the peasants pertaining to the land, and the feudal land ownership which was complicatedly entangled in farming in our country. On the basis of his comprehensive analysis, he finalized the land for confiscation, the method for confiscation and distribution, and the steps for permanently eliminating the tenant farming system.

Reflecting the ardent desire of our peasants who wanted to free themselves from feudal land ownership, the great leader put forward the issue of making peasants the masters of the land as the basic principle in agrarian reform under the slogan, "The land to the farming peasants!" He advanced a revolutionary policy for thoroughly implementing the agrarian reform in compliance with the demand for continued revolution toward socialism.

Following this principle, our party precisely defined the objects for land confiscation and the basic objects for struggle, and carried out the agrarian reform in such a manner as to distribute the land, which it confiscated from landowners without compensation, free of charge to the peasants who had no land or had a small amount of land. Our party put forward a unique class policy for isolating the rich farmers by depending on employed peasants and poor peasants who had the most earnest interest in agrarian reform, and by collaborating with middle-class farmers. Thus, our party firmly ensured the successful implementation of the agrarian revolution.

On the basis of preparatory work, which was successfully implemented, and of the preconditions created for agrarian reform, the great leader Comrade Kim Il-song finally promulgated the historic law on agrarian reform on 5 March 1946. [applause]

"Law on Agrarian Reform in North Korea," a work authored and published by the great leader, was a chuche-oriented land program which made it possible to uproot the feudal land ownership and exploitative relations and most thoroughly resolve the peasant problem and the agricultural problem in the anti-imperialist, antifeudal democratic revolution. It was a most just and revolutionary code of land usage which made it possible to realize the age-old desire of peasants for land, restrict capitalist elements to the maximum in the countryside, and, thus, create conditions favorable for agricultural cooperativization. [applause]

Following the promulgation of the law on agrarian reform, the great leader vigorously inspired the enhanced political zeal of our peasants and our people for the struggle to implement the law on agrarian reform.

The respected leader organized a rural committee consisting of poor peasants and employed peasants, and made them the direct executors of agrarian reform. At the same time, he dispatched a team of workers to the farm to support agrarian reform, together with outstanding forces of party and government organizations. Thus, he actively supported the struggle of the peasants and personally guided the agrarian reform work by visiting many farms.

Thanks to the outstanding land program and the wise leadership of the great leader Comrade Kim Il-song, the historic task of agrarian reform in our country was thoroughly accomplished within the short period of less than a month. [applause]

As a result of the agrarian reforms, more than a million chongbo of land were confiscated and were distributed to approximately 720 agrarian households free of charge and numerous orchards, forests, and irrigation systems were taken by the state. The successful conclusion of the agrarian reforms was a revolutionary change that brought an end to the feudal land ownership system and the exploitation system in the rural areas, and that has made our peasants the eternal landowners. It is also the most brilliant victory that our party and people brought about in carrying out a democratic revolution. [applause]

As a result of the historic agrarian reforms, our party's foundation in the rural areas was strengthened; the worker-peasant alliance was further consolidated; and the production capacity of our agricultural sector, which freed itself from the feudalistic path, vigorously inspired the development and prosperity of the overall people's economy. The agrarian reforms of our country, the first in the Orient, were an encouraging milestone that gave great hope and confidence to the South Korean people and peasants, and were a historic event that inspired the people of numerous countries who had been groaning under colonial and feudal exploitations, into anti-imperialist and antifeudal struggles. [applause]

To consolidate the achievements in the agrarian reforms, the great leader Comrade Kim Il-song took economic measures to strengthen the material foundation of agricultural production, abolished all the miscellaneous taxes that had burdened the peasants for a long time; and instituted a unitary tax-in-kind system, thus vigorously inspiring the peasants to very eagerly work to increase agricultural production.

Our peasants, who had become the landowners as a result of the agrarian reforms, unanimously participated in a struggle to celebrate the first spring of the liberated Korea with increased production, to uphold the party's slogan which calls for not keeping even a small piece of land idle, and to do farm work well on land that had been distributed to them. This happened in the first year after the distribution, and great upsurges in production were scored. They also actively participated in the campaign to donate the rice of patriotism, thus boundlessly displaying their patriotic fervor.

The great vitality of the agrarian reforms was highly displayed during the harsh Fatherland Liberation War against the imperialists' armed aggression. During the gloomy period of war, our peasants, along with all the people, boundlessly displayed their spirit of patriotic devotedness and popular heroism in defending the party and the people's regime and the achievements in the democratic reforms, thus fulfilling their duty as the masters of the country, the masters of the land.

They took guns, instead of weeding hoes, and (?went to the front.) Under a slogan that says the struggle for grain is a struggle for the fatherland and a struggle to ensure a victory on the front, even under enemy fire, they also guaranteed good wartime grain production day and night, and actively carried out the work of supporting the front, thus greatly contributing to the victory in war. [applause]

After the war, as the developing revolution required, our party, having made excellent agrarian reforms in our style at the stage of an anti-imperialist, antifeudal revolution for democracy under the wise leadership of the great leader Comrade Kim Il-song, creatively and brilliantly carried out the task of socialist transformation in the rural economy to eternally remove the sources of exploitation and poverty. [applause]

Where sources of exploitation and poverty had not completely disappeared even though, as a result of the agrarian reforms, the feudalistic tenant system was abolished and even though the peasants had been freed from feudalistic exploitation, the working class, the party, and the state had to gradually achieve the socialist transformation of the rural economy based upon the achievements of the agrarian reforms.

The growing demand of the postwar era in our country was the socialist transformation of the rural economy. Based upon his scientific elucidation of the postwar economic situation in our country, the reality of the rural areas, and the peasants' revolutionary aspirations, the great leader Comrade Kim Il-song presented a completely new plan for achieving the socialist transformation of the rural economy ahead of its technological transformation.

This is a revolutionary plan based upon the firm belief that, even though the production and technological levels are relatively low, agricultural cooperativization is possible when reality urgently demands the transformation of outdated production techniques, and when there are powerful main forces that can transform the production relations. This is also a creative plan of our own style that cultivated a new road toward agricultural collectivization without referring to any existing theory or experience. [applause]

In carrying out the agricultural collectivization movement, the great leader, assisted by the party and the state, demonstrated the superiority of collective management by giving an actual example; closely combined the transformation of economic types and human reforms; thoroughly implemented the principle of volunteerism; and implemented a creative policy that leads the poor peasants and middle-class farmers to voluntarily join the collective economy and does not strip the rich farmers but restrains and gradually reforms them to ensure that they voluntarily embark upon the socialist road. In addition, based upon the reality in our country, he determined the type and scale of the cooperative economy and how speedily the cooperative economy would be developed. He also vigorously led the peasants toward the collectivization movement. Because of the wise leadership of the great leader Comrade Kim Il-song and our party's creative plan for agricultural collectivization, the agricultural collectivization movement could be successfully completed without the slightest deviation in four to five years, a short period. The completion of agricultural collectivization was a great change in the rural areas of our country, and was a great historic victory that was brought about in the struggle to achieve the independence of the agricultural masses. [applause]

As a result of the completion of agricultural collectivization, the most advanced socialist rural economic system was firmly established, and our peasants, who had been (?tenant farmers), have become the masters of a large cooperative economy, and have become socialist workers. [applause]

By winning a victory in the agricultural collectivization movement, our party completely removed sources of exploitation and poverty from the rural areas, and opened a wide road toward agricultural development. From the basic position of tenaciously and responsibly resolving the peasant question, the agrarian question, our party has vigorously led the peasants to a struggle to ultimately resolve the agrarian question. An important task in resolving the agrarian question is to make agrarian reforms achieve the socialist transformation of the individual peasant economy, and, at the same time, remove the outdated social remnants in all the sectors—ideological, technological, and cultural.

Based upon his overall summation of the bountiful experiences and valuable achievements that he gained in a struggle to resolve the agrarian question, the great leader Comrade Kim Il-song released the theses on the socialist agrarian question in our country, and clearly elucidated a path toward ultimately resolving the agrarian question.

The great leader Comrade Kim Il-song scientifically clarified that, to successfully resolve the agrarian question in the rural areas under a socialist system, one must carry out three revolutions—ideological, technological, and cultural—one must extensively strengthen guidance to the peasants by the working class, assistance for agriculture by the industrial sector, and assistance for the rural areas by the cities, must endlessly try to upgrade guidance and the management of the rural economy to the level of the advanced business management of the industrial sector, and must transform collective ownership into ownership by all the people.

In his rural theses, the great leader Comrade Kim Il-song newly, theoretically elucidated various questions of principle on overall socialist construction, including the question concerning enhancing the roles of regional units involved in the construction of socialist rural areas and counties, important strategic points. Truly, the rural theses, presented by respected and beloved Comrade Kim Il-song, is a program for a struggle to ultimately resolve the peasants' question, the agrarian question, under a socialist system, and to complete the historic task of class elimination, thus achieving a complete victory of socialism. [applause]

As a result of the presentation of the rural theses, our party could have the most correct strategic goal of building a classless society, a socialist society that has won a complete victory, based upon the fact that, after carrying out a socialist revolution, it endlessly consolidated and developed a socialist system that had been built in the rural areas under the banner of continued revolution. It also vigorously carried out socialist construction without the slightest deviations, twists, and turns. [applause]

Because they are great and accurate, the rural theses led our people and agricultural workers to a new future, and demonstrated their great vitality in building the socialist rural areas. The ideological, technological, and cultural revolutions have been vigorously carried out in the rural areas along the road elucidated by the rural theses under the wise leadership of the party and the leader; state assistance to the rural areas has been stepped up in an overall manner; and the guidance and management of the rural economy have been constantly improved. In this way, great progress has been made in the struggle to ultimately resolve the rural question.

As we have won a decisive victory in the struggle for the implementation of the rural question, the appearance of rural villages has been epochally changed, the historic transformation of eliminating the distinction between the working class and peasants and between city and countryside is being carried out rapidly. A great change has been effected in the ideological and mental characteristics of agricultural workers, and our rural villages have entered a new era where they are beginning to resemble urban areas in all fields. Today our agricultural workers have been firmly armed with the revolutionary ideology of our party, the chuche idea, and they are advancing, with certainty, along the road indicated by the chuche idea while being firmly rallied around the party and the leader. [applause]

Our agricultural workers—who, together with the party, have traversed the rewarding but arduous road of struggle for the anti-imperialist and antifeudal democratic revolution, for the socialist revolution, and for socialist construction—not only infinitely trust and follow the party and the leader with the firm faith that they have become better through their experiences, but have also entrusted their destiny to the party.

Our agricultuaral workers have devotedly struggled for the implementation of the rural theses with an indomitable fighting spirit, while absolutely supporting and safeguarding the party's line and policy, and finding the honor and value of their living from the struggle for the implementation of the line and policy. This is precisely the ideological feature of our agricultural workers. [applause]

Thanks to the posititive measures of the party and the state, the material and technological foundation of agriculture has been incomparably strengthened, the hard labor and backwardness that inflicted our peasants for a long time in the past have today completely disappeared from our rural villages, and a new history in which farm work is carried out on the strength of farm machines and chemicals has been unfolded. In particular, the projects to remake nature with the countryside irrigation system have been vigorously waged, and the Sohae lockgate and the 2,000-ri waterway have been newly built in a short period of time. Consequently, our countryside has undergone a cataclysmic change in which irrigation water overflows in the farm fields in all grain-producing areas of our country. With the completion of the irrigation system at a high level, our country has become a country of irrigation of which we can feel pride before the world. This is a great victory won in the implementation of the theses on the socialist rural question. [applause]

In our rural villages, numerous modern houses have been built by the state under the rays of the rural theses, and outstanding cultural and welfare facilities have been provided. As a result, our peasants are leading an affluent and civilized life. Thus, our rural villages have been changed into socialist cultural villages, better places in which to work and live. [applause]

All successes achieved in the struggle for reforming people and society, and for remaking nature in the countryside, tell us that our people and agricultural workers not only have entered the stage of consummating the rural theses, but have also mounted the high hill where they can see the final victory of socialism coming near. [applause]

These epochal changes effected in our rural villages are precisely an expression of the might of the socialist rural economy of our country and a demonstration of its incomparable superiority.

The socialist rural economy system of our own style in which the chuche idea has been embodied, has taken deep root in this land and is flowering and developing with each passing day. Under this system our agricultural workers enjoy the genuine political right and freedom as the masters of the state and society, and are leading an independent and creative life to their hearts' content. Through the course of traversing the arduous but glorious road of socialist rural construction under the wise leadership of the party and the leader, our people and agricultural workers have realized and cherished in their hearts, a firm faith that the rural economy system of our country is the most superior and viable system, and that the way elucidated by the socialist rural theses of our country is precisely the most correct way for the final solution of the rural question.

Indeed, it is our people's great happiness and pride to have the socialist rural economy system of our own style, which enjoys grandeur and prosperity with each passing day, and the great socialist rural theses. [applause]

All epochal changes and amazing upsurges which have been effected in our countryside, are the noble result of the wise leadership of the respected and beloved leader Comrade Kim Il-song and our party. They are also the great victory of the agricultural policy of our party. [applause]

The great leader Comrade Kim Il-song, who has devoted all his energies to the solution of the agricultural question since the first day of his embarkment on the road of revolution, not only has presented at every stage of the developing revolution a most correct policy for solving the rural question, but has also energetically led our agricultural workers' struggle by giving an on-the-spot guidance to numerous rural villages throughout the country. Thus, the great leader has seen to it that constant upsurges are effected in socialist rural construction and agricultural production. [applause]

As an effort to realize the great leader's rural construction ideology our party has actively pushed our rural villages so that the three revolutions—ideological, technological, and cultural—can be vigorously carried out in rural villages. By strengthening the rural support by the entire party and all the people, and by enhancing the function and role of rural party organizations, our party has also effected a new and epochal turn in rural construction and agricultural development. [applause]

Indeed, the period of 45 long years since the enforcement of the agrarian reform has been the history of glory in which the outstanding ideology and unique policy elucidated by the great leader Comrade Kim Il-song, for the solution of the rural question, have been embodied. It has also been the history of rewarding struggle and exploits in which under the wise leadership of the party and the leader, our people and agricultural workers have created an epochal miracle in socialist rural construction. [applause]

In this significant meeting celebrating the 45th anniversary of the publication of the Law on Agrarian Reform, together with the infinite emotion of reverence and burning loyalty of our agricultural workers and all of our people, I extend the utmost glory and warmest gratitude to Comrade Kim Il-song, the great leader of our party and our people, who has led our peasants to the brilliant victory of the democratic and socialist revolutions by presenting the outstanding agrarian revolution program, which has embodied the immortal chuche idea, who has built an affluent and civilized socialist countryside under the brilliant rays of the rural theses, and who has led, with certainty, our peasants to the road for the final solution of the rural question. [applause]

Comrades: Unlike the rural villages in the northern half of the Republic where the historic agrarian reform has been victoriously carried out and, subsequently, constant development has been made along the straight road of solving the peasant question and the agricultural question, South Korean rural villages which are under the occupation of the U.S. imperialists are still in the state of colonial enslavement, and its agricultural production capability has been seriously destroyed.

Because of the almost 50-year-long colonial policy of enslavement by the U.S. imperialists and the antipeople, reactionary agricultural policy of the South Korean puppet clique, South Korean agriculture has been turned into a colonial agriculture bound up under the plunderous economic system of the United States, and the South Korean peasants' living has been reduced to extreme distress. The South Korean peasants—who, encouraged by the victory of the agrarian reform conducted in the northern half of the Republic, have waged a bold struggle to abolish the feudal land ownership system in South Korea and to establish a democratic land ownership system there—have failed to achieve their long-cherished desire for land even until today, and, instead, the U.S. imperialists' colonial enslavement and plundering of South Korean agriculture has been more unscrupulous with each passing day.

Because of the reactionary new war provocation maneuvers and the plundering policy of agriculture by the U.S. imperialists and the South Korean puppet clique, much farm land has been devastated and the rural economy has been completely broken in South Korea today.

The U.S. imperialists and the South Korean military fascist elements not only have plundered hundreds of thousands of chongbos of farm land, turning them into land for military use, but have also turned the whole land in South Korea into the powder-reeking military exercise site for the Team Spirit-91 joint military exercise today. As a result, in South Korea today, farm land has decreased on a continuous basis, the [word indistinct] of cultivated land and its rate of utilization have been rapidly diminished, and, consequently, agricultural production has decreased every year.

Grain production has gradually decreased. As a result, South Korean rural areas, called rich grain districts in the past, have today been turned not only into chronic famine districts which have to beg for more than 10 million tons of grain crops and several hundred thousand tons of meat and industrial crops every year from foreign countries, but also into a colonial market for U.S. surplus agricultural products.

Proceeding from their aim to facilitate the infiltration of U.S. monopoly capital into South Korea, the U.S. imperialists—who have turned South Korea into a market for their surplus agricultural products—have seen to it that feudal socioeconomic relations are maintained and preserved in the countryside of South Korea. They have gone so far as to hinder the agricultural development of South Korea through their brigandish policy of surplus agricultural products and low-price-agricultural products policy. Moreover, in the wake of the Uruguay Round agreement forced by the U.S. imperialists, U.S. surplus agricultural products and livestock products are sweeping over the whole area of South Korea, thereby suffocating the South Korean rural economy.

Despite this situation, the South Korean puppet clique has enforced the reactionary agricultural policy of disregarding and victimizing agriculture while offering the South Korean countryside to the U.S. imperialists as a market for U.S. surplus agricultural products. Because of this, the South Korean rural economy today has been driven into a predicament.

All facts tell us that as long as the U.S. imperialists' colonial policy of enslavement and the South Korean puppet clique's antipopular agricultural policy continue, South Korean peasants cannot escape the destiny of colonial bondage nor can they become the genuine masters of the land.

The ardent desire of the South Korean peasants to free themselves from the feudal oppression and exploitation of the imperialists, and to become the permanent masters of the land, can be achieved only when the imperialist, colonial rule is liquidated in South Korea and, thus, national reunification is achieved.

The prevailing situation in our country today demands that the struggle for achieving the cause of national reunification at the earliest possible date be more vigoroulsy waged. Upholding the policy of national reunification elucidated by the great leader Comrade Kim Il-song, we should firmly rally the strength of the nation and more vigorously accelerate the cause of national reunification.

All compatriots in the North, the South, and overseas who love the country should unanimously rise up in the sacred struggle to smash all sorts of splittist maneuvers and achieve national reunification, so that we make this year a year of detente and peace, a year of reconciliation and unity, and a historic year which opens a new aspect for national reunification. [applause]

The South Korean peasants should pool their strength with the workers, youths, and students of South Korea and launch the sacred cause for national reunification.

Comrades: Today we are faced with the heavy but honorable task of not only vigorously accelerating socialist construction, but also further enhancing the superiority of our socialism by following the militant task elucidated by the great leader Comrade Kim Il-song in his New Year address this year, and by responding to the party's revolutionary slogan, "Let us live in our own style." We should make all possible efforts to more thoroughly establish chuche in the revolution and construction, to implement, without fail, the chuche-oriented socialist construction line set forth by the party, and to completely achieve the task elucidated by the socialist rural theses in the near future. [applause]

Functionaries and the working people in the agricultural sector should accelerate the three revolutions—ideological, technological, and cultural, and thoroughly implement the party's policy of giving priority to agriculture. Thus, we should effect constant upsurges on all fronts of socialist rural construction and agricultural production.

Giving priority to the ideological revolution in farms is a consistent policy maintained by our party, and a basic guarantee for successfully resolving all tasks in the solution of problems of farms.

By firmly arming themselves with the chuche idea—our party's revolutionary idea—all agricultural workers should loyally uphold the party's leadership in firm unity around the party and the leader, and should accept the slogan: "What the party decides, we will do" as our faith. Thus, we should actively struggle to achieve the socialist rural construction program advanced by the party.

All functionaries and workers in the agricultural sector should become the party's permanent companions who share their destiny with the party without wavering even slightly under any storm and trial, by deeply cherishing the spirit of the reply letter from dear leader Comrade Kim Chong-il to the second cell party members of the Fifth Bureau of the Korean Central News Agency [KCNA] and to the writers of the Korean Literature Production.

All agricultural workers should strengthen revolutionary organizational life and study, and should accelerate the revolutionization and working-classization. They should establish the revolutionary trait of unconditionally accomplishing the party's line and policy by highly demonstrating the revolutionary spirit of self-reliance and arduous struggle.

The rapid accomplishment of rural technological revolutionary tasks is a most urgent issue in accelerating the socialist rural construction and realizing the rural thesis.

We should accelerate the rural technological revolution in compliance with brilliant prospects in the development of rural economy in our country, and we should further consolidate the successes in irrigation and electrification which have already been accomplished. Thus, we should constantly develop agricultural productivity onto a higher stage by rapidly completing mechanization and chemicalization.

The rural economic sector should develop the rural economy in a diversified manner in compliance with natural and geographical conditions, and should carry out farming in a scientific and technical manner by decisively enhancing the fertility of cultivated lands in compliance with the demand of the chuche agricultural method, thus registering a constant upsurge.

We should vigorously wage the soil-plowing combat as an all-mass movement, and should accelerate and complete farming preparations. We should also carry out all farming work in a substantive and timely manner, and should thus accomplish this year's grain production targets.

By accomplishing our party's policy for cultural revolution, we should enhance the technological and cultural level of agricultural workers onto a higher stage, and should further consolidate the success in introducing piped water service and in its repair work system. Thus, we should make the rural community a socialist modern rural community with excellent living and working conditions by introducing central heating systems and gas lines.

Today the prevailing situation in our country demands that all the people work and live in a attitude of alertness and mobilization with heightened revolutionary vigilance.

The U.S. imperialists are running wild with unprecedented violence, triggering war in many places of the world and more viciously perpetrating military provocation maneuvers to start a new war on the Korean Peninsula in collaboration with the No Tae-u puppet clique. To counter this urgent situation, all the people and agricultural workers should keenly watch the moves of the enemy and should make every preparation to cope with any unexpected situation. Thus, we should firmly defend our outposts.

By highly and tightly upholding the banner of chuche, all agricultural workers should wage the heroic struggle by following only the road indicated by our party and should vigorously accelerate socialist rural construction. Thus, we should highly demonstrate the superiority of the socialist rural economic system in our country and the might of our socialism under which the leader, the party, and the masses are advancing in firm unity. [applause]

Let us all more vigorously march forward to accomplish the chuche revolutionary cause in firm unity with the party Central Committee headed by the respected Comrade Kim Il-song. [applause]

Long live Comrade Kim Il-song, the great leader of our party and our people! [shouts of hurrah and applause]

Long live the glorious WPK, the organizer and guide of all victories of the Korean people! [shouts of hurrah and applause]

Papers Denounce Military Maneuvers Against North

*SK1403072591 Pyongyang KCNA in English
0549 GMT 14 Mar 91*

[Text] Pyongyang March 14 (KCNA)—NODONG SINMUN and MINJU CHOSON today note that the "Team Spirit 91" manoeuvres directed against the North are assuming all the more hideous dimensions in South Korea as time flows.

Recalling that the U.S. imperialists and the South Korean authorities on March 12 staged a large-scale joint landing operation in Pohang area on the east coast with the mobilisation of huge armed forces, hundreds of combatant ships and nearly 1,000 warplanes, a news analyst of NODONG SINMUN says:

The "Team Spirit" joint military exercises have entered an actual stage and the situation on the Korean Peninsula reached an extremely dangerous stage.

On the day when the Pohang landing operation was staged, warmaniac No Tae-u turned up at the graduation ceremony of the "Airforce Academy" and whipped up war hysterics, crying for "a firm security posture", "modernisation of combat capabilities", and the like.

No's outburst coinciding with the actual stage of the "Team Spirit" shows that the South Korean authorities hand in glove with the aggressor are trying to ignite a war against the North, come what may.

Each time the "Team Spirit" is staged, the U.S. imperialists chose as a landing point Pohang of South Korea which bears a close similarity to coastal cities of the Northern half of Korea in topographical conditions. This reveals their criminal scheme to contain us by attacks on our coastal cities the moment they start a war. The river-crossing operation, aerial mobile strike operation and commando operation following the landing operation staged by the U.S. imperialists and the South Korean authorities are without exception a play with fire for a surprise attack on our Republic.

No one can predict what the U.S. imperialists who have become so puffed up with the collapse of the balance of forces in the international relations and such war-thirsty elements as the No Tae- u group which has gone off into war hysterics against fellow countrymen would commit now.

If they dare ignite the fuse of war against the North, they will have to pay dearly for this.

A news analyst of MINJU CHOSON stresses the U.S. imperialists and the South Korean authorities must look squarely at the situation, refrain from running riot and give up the vaulting ambition for invading the North.

U.S. Stand on Human Rights in Cuba Condemned

SK1403070991 Pyongyang KCNA in English 0523 GMT 14 Mar 91

[Text] Pyongyang March 14 (KCNA)—The U.S. delegate told the United Nations Commission on Human Rights that "sanctions" should be applied against Cuba where he alleged "human rights are being violated" while U.S. President Bush argued that the "human rights problem" in Cuba should be handled internationally.

NODONG SINMUN today condemns this as a vicious challenge to socialist Cuba and an intolerable interference in the internal affairs of a sovereign state.

The news analyst says:

It is the United States that violates human rights most ruthlessly in the world.

It is ridiculous and shameless that the United States, which cannot mind its own affairs, obtrusively takes issue with "human rights" in Cuba.

None other than the U.S. ruling circles must be put in the dock as violators of human rights.

There is no "problem of human rights" in revolutionary Cuba.

The Cuban people fully enjoy human dignity and freedom and vital rights under the socialist system, their own choice, and firmly defend the fortress of socialism with high national pride and honour, closely rallied behind the Cuban party and government headed by Comrade Fidel Castro.

The U.S. imperialists are intensifying ideological and cultural infiltration into and interference in the internal affairs of Cuba as part of their "peaceful transition" strategy and, at the same time, kicking up an anti-Cuban racket in the international forums to inveigle other countries into it.

These days the U.S. reactionary ruling circles are turning the sharp edge of their attack to those countries which resolutely maintain the anti-imperialist independent position with firm faith in socialism like Cuba.

Their sinister aim is to slander these countries in every way, undermine faith in socialism among the people of these countries and restore capitalism.

Urged by this wild ambition, the U.S. imperialists charge Cuba with the human rights problem.

They only reveal their aggressive nature by impudently meddling with human rights in other countries as if they were "judges of human rights."

Their anti-Cuban campaign will end in a disgraceful setback as in the past.

No force on earth can break the faith and will of the Cuban people.

The Korean people bitterly denounce the anti-Cuban campaign of the U.S. imperialists and express militant solidarity with the fraternal Cuban people.

The U.S. imperialists must stop the anti-Cuban campaign immediately.

KCNA Review of 14 Mar Pyongyang Press

SK1403075091 Pyongyang KCNA in English 0535 GMT 14 Mar 91

[Press review]

[Text] Pyongyang March 14 (KCNA)—Papers here today carry a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to Idriss Deby upon his assumption of office as president of the Republic of Chad.

President Kim Il-song received a message sent by King Phumiphol Adunyadet of Thailand in reply to his message of greetings to the latter on his birthday, says the press.

NODONG SINMUN carries news that classical works of the great leader President Kim Il-song were reported in different countries.

Conspicuous on its frontpage is a report about the results of the Workers' Party of Korea delegation's visit to Japan.

Dailies round up working people's reaction to the letter of President Kim Il-song to fourteen tractor drivers of the family of Pak Chong-kuk and Chong Yon-hwa at the Yongyon County integrated farm in South Hwanghae Province.

"'Let All-the-Family-Operate-Machines Movement' Is a Mass Innovation Drive To Successfully Carry Out the Party's Plan To Build Socialist Countryside" is the title of a MINJU CHOSON article.

Works of dear Comrade Kim Chong-il were studied and disseminated in many countries, according to the press.

MINJU CHOSON comes out with an article on the wise leadership of President Kim Il-song in increasing the production of mass consumption goods and improving their quality, and NODONG SINMUN with an article saying that Comrade Kim Chong-il led people to add lustre to the traditions of the heroic people.

A book "Bright Future, Warm Love" was published in Japan on the occasion of the 10th founding anniversary of the Japan society for the study of Kimilsongism and crewmen of foreign ships held a public discussion on the virtues of Comrade Kim Chong-il at Wonsan port on the east coast of Korea, says the press.

NODONG SINMUN informs the readers that thanks of the C.C. [Central Committee] the Workers' Party of Korea was conveyed to the builders who performed labour feats in the construction of eight reservoirs in South Hamgyong Province.

It editorially stresses that officials should thoroughly establish the popular trait of learning from the popular masses and relying on them in work.

A vigorous drive to carry more loads is going on in the field of railway transport, says the paper.

Given in the press is news of the talks held between the heads of our government delegation and the Japanese Government delegation and of the stay in Japan of the DPRK Government delegation, which participated in the second intergovernmental full-dress talks for the normalization of the DPRK-Japan diplomatic relations.

Dailies give an account of a meeting of Pyongyang citizens held to welcome young man Kang Tae-song who came over to the Northern half of the country.

Agreements on the development of friendly and cooperative relations between the League of Socialist Working Youth of Korea and different youth organizations of Japan were signed in Tokyo, says NODONG SINMUN.

It is reported in the daily that the chairmen of the Central Committees of the General Federation of Trade Unions of Korea and the Union of Agricultural Working People of Korea and of the Korean Students Committee met with a KCNA reporter in connection with the South Korean Red Cross side's refusal to convey their letters to their counterparts in South Korea.

The U.S. imperialists and the South Korean puppets continuously staged ground and air military exercises against the North, reports the daily.

Dailies inform the readers that meetings denouncing the "Team Spirit 91" joint military manoeuvres were held at a naval unit of the Korean People's Army, industrial establishments and a cooperative farm and that the "Team Spirit 91" is under fire in different countries.

NODONG SINMUN in a commentary accuses No Tae-u of crying for "fair election" regarding the "local assembly election".

The "National Council of Student Representatives" of South Korea declared their determination to launch an energetic campaign for the resignation of the present "regime," says the press.

MINJU CHOSON in an article demands the immediate release of coed Yim Su-kyong, Father Mun Kyu-hyon, Yu Won-ho and other persons who had visited the North.

NODONG SINMUN rounds up voices of the world public supporting the proposal for reunifying the country by means of confederation.

A commentary of the daily hits at the anti-Cuban campaign of the U.S. imperialists.

Foreign news columns of the press includes reports that Yi Ruihuan, member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China (CPC), called for defending socialism, the president of the Indian National Congress (I) referred to the relations with the CPC, Ji Pengfei, former director of the State Council Hong Kong and Macao Affairs Office of China pointed to the principle of China's unification and the Supreme Soviet of the USSR adopted a statement on the ratification of the Soviet-German treaties.

South Korea

TASS Head Warns of Reemergence of Cold War

SK1403054791 Seoul Domestic Service in Korean 0300 GMT 14 Mar 91

[Text] Spiridonov, director general of TASS, who is visiting the ROK, said that if the United States continues the policy of showing off its force, the Soviet Union will return to the era of cold war and the chances of reunification on the Korean peninsula will become remote.

Speaking at a breakfast meeting at the Silla Hotel hosted by the Korean Newspaper Editors Association this morning, Director General Spiridonov said that the recent international situation is becoming similar to that after World War II and warned that it should not be thought that if the United States shows off its force, the Soviet tanks will stand still.

Director General Spiridonov expressed regret that the ROK press tends to report that only the United States can determine the fate of the world. The director described this position as a dangerous hallucination.

Commenting on the press report on the possibility of returning the four northern islands to Japan during Soviet President Gorbachev's visit to Japan, he flatly stated that the Soviet people have never approved the return of the four islands.

Director General Spiridonov, commenting on the issue of the ROK loan to the Soviet Union as part of its economic cooperation, said that the scale of the ROK economic assistance is even less than the annual budget of TASS, and stressed that the significance of the economic cooperation loan stems from the new resolve to solidify the friendly relations between the ROK and the Soviet Union.

Warns Against Siding With U.S.

SK1403065291 Seoul YONHAP in English 0630 GMT 14 Mar 91

[Text] Seoul, March 14 (OANA-YONHAP)—The cold war will return if the United States continues to throw its weight around on the international stage, delaying reunification of Korea, the head of the Soviet News Agency TASS warned Thursday.

"The cold war will necessitate side-taking, and the Soviet Union will also have to choose between South and North Korea. One thing is clear, the Soviet Union will not choose the side picked by the United States," TASS director-general Lev Spiridonov said.

"Now is neither the era of cold war nor hot war. There must be no hot war in the future, much less a cold war," Spiridonov said.

The remarks were made in talks with the Korean Newspaper Editors Association. Spiridonov arrived March 8 for an eight-day visit at the invitation of YONHAP News Agency.

Criticizing U.S. use of force in the Gulf crisis, he said the Soviet Union supported a solution directly formulated by the nations involved in any international conflict.

"If the United States continues its practice of relying on and showing off its power, we cannot but return to the cold war era," he warned.

Spiridonov, calling the Gulf war "ominously reminiscent" of the conditions immediately after World War II, said, "one must not believe that the Soviet Union will keep its tanks silent in the face of a U.S. power show-off." America was a nation "gripped by its own dramatic patriotism," he said. "Could the Soviet Union remain still while the United States advanced its weaponry and military technology?"

On conditions within the Soviet Union, Spiridonov refused to admit there was fighting between conservatives and reformists over perestroyka.

"Perestroyka is treading the right road despite all the domestic complications, and even if the steps are slow it will surely find its way," he said.

"There are those who have parted with President Mikhail Gorbachev during the past two or three years, those who have no interest in perestroyka and its benefits," Spiridonov said. "They would have been mercilessly removed from society under the domineering, authoritarian rule of the past."

He also denied reports that Moscow had agreed to give Japan two islands it seized near the end of World War II.

"The Japanese press is probably trying to stir up the right mood for the return of the islands just before President Gorbachev's Tokyo visit," Spiridonov said. "The Soviet people have never given the government the authority to return the islands."

Improved DPRK-USSR Relations Analyzed

SK1403130891 Seoul CHUNGANG ILBO in Korean 13 Mar 91 p 9

[Article by reporter An Song-kyu from the "North Korea Today" column: "North Korea and the Soviet Union Are Coming Closer to Each Other Again"]

[Text] North Korean-Soviet relations, which soured in the wake of the establishment of diplomatic relations between South Korea and the Soviet Union, have recently shown signs of reconciliation.

This is expressed by the fact that the Soviet press, which was chiefly responsible for having soured bilateral relations in the beginning of 1990, has begun softening its denunciation of North Korea both in frequency and intensity. As if in response, North Korea has lowered the tone of its denunciation in the press against the Soviet Union.

Along with the softened mutual denunciation, the gap between the governments of the two countries has narrowed so quickly that it seems to have almost returned to its former intimacy.

Both countries have recently signed a variety of agreements, including a government-to-government agreement on cooperation in fisheries and an agreement on the exchange of professors between Kim Il-song University and the School of Science at the Soviet National University in the Soviet Far East. The Soviet Union has also agreed to continue helping North Korea build the East Pyongyang thermal power station.

In addition to cooperation and exchange in trade and cultural areas, cooperation between the two countries in military and political areas is noteworthy.

A Soviet military delegation visited Pyongyang on 10 January and, during its six-day stay in Pyongyang, discussed ways of strengthening friendly military relations with North Korea.

Some observers discounted the significance of this visit on the grounds that the two countries did not discuss specific issues during the Soviet military delegation's visit, that the two countries were not in the mood to discuss important military issues due to the deep-seated mistrust they harbor for each other, and that the Soviet military delegation's latest visit to North Korea has no significance because it was only a return visit that had long been planned.

Nevertheless, the Soviet military delegation's visit to Pyongyang was a clear indication that the two sides have not only maintained military ties but are also strengthening them. This is clearly manifested by Soviet Deputy Premier Maslyukov who, during his visit to Seoul around the same time, said that his country will continue supplying conventional weapons to North Korea.

Kapto, the new Soviet ambassador to Pyongyang who was given an unprecedentedly cold shoulder when he presented his credentials to North Korea, has recently contacted a series of high-ranking North Korean officials, including O Chin-u and Kim Yong-nam. He even conveyed to Kim Il-song a personal, friendly letter from Gorbachev. In this way, a political thaw is visible between the two countries.

Signs of the Soviet Union's intention to improve relations with North Korea, which began to look even uglier in 1990, can be detected in the rumor that Gorbachev might visit North Korea in the first half of this year; in the comment by Deputy Soviet Foreign Minister Rogachev on Gorbachev's personal letter to Kim Il-song, saying that it was an effort to keep Soviet-North Korean relations from being hurt; and in first Soviet Deputy Defense Minister Kochetov's radio speech in which he stressed that forward-looking relations with North Korea should be promoted.

What brought about this new closeness between these two countries? North Korea may have realized that it needs Soviet support in coping with the changing international situation, including the issues of UN membership as well as military and economic cooperation. At the same time, the Soviet Union may have found it necessary to keep North Korea on its side to put into practice its plan for realigning the present order in Asia and the Pacific.

Not only has the Soviet Union made known via Radio Moscow its high opinion of the North Korea-Japan talks for normalizing relations, linking it to its own plan for a new order in Asia and the Pacific, but it has also offered to act as a bridge between South and North. The Soviet Union has actively attempted to draw North Korea back into its embrace. As an expression of this intention, the Soviet Union expressed its sympathy with North Korean Premier Yon Hyong-muk's support last 6 February for the establishment of a Northeast Asian Economic Community.

Yu Sok-yol, professor at the Institute for the Study of Diplomatic and Security Affairs, said: Behind its active movement to move closer to North Korea, the Soviet Union seeks not only to recover its alliance relationship which is in the basic interest of the two countries, but also to placate North Korea as part of an effort to set up a new order in Asia and the Pacific.

It remains to be seen whether the effort to improve bilateral relations, an effort initiated by the Soviet Union, will bear fruit or not. North Korea has not completely stopped making gestures that may yet turn out to be stumbling blocks to full normalization of relations with the Soviet Union. In a Foreign Ministry statement issued in mid-January, it made its objection known to the Soviet proposal for establishing an all-Asia security conference, saying that the "South-North issue would not go as expected by the Soviet Union."

Aviation Agreement Reached With USSR

SK1403095891 Seoul YONHAP in English 0918 GMT 14 Mar 91

[Text] Seoul, March 14 (OANA-YONHAP)—South Korea and the Soviet Union reached agreement Thursday on an aviation pact to replace a commercial accord between airlines of the two nations.

The pact will boost the number of flights using Soviet air space from 10 a week to 20 at the end of March, to 30 at the end of March 1992, to 40 in 1993 and to 50 in 1994.

It calls for Soviet flights to Seoul to rise to 12 a week at the end of March, to 18 in 1992, to 24 in 1993 and to 30 in 1994, so the number of Soviet flights reaches 60 percent of the number of Korean flights using the Soviet air space.

Apart from the air route crossing Siberia, it was agreed to set up a route agreed between Korean Air (KAL) and Aeroflot via Beijing, Shanghai and Harbin. The number of flights in the new route will go up from one to two a week in April.

The route will not open on the Korean side until consultations with the Chinese Government have been completed, and whether to stop in cities along the route will also be decided through the consultations, according to the Transportation Ministry.

One airline company from each side is allowed to launch service on the route in addition to the two already named.

Korean cities for the service are Seoul, Pusan and Cheju, and on the Soviet side Moscow, Khabarovsk and another city that Korean Airlines will choose later.

The talks started on Monday and the five-member Korean delegation was headed by Yi Hon-sok, director general of the Transportation Ministry's Aviation Bureau. L.S. Seliverstov, director general for civil aviation at the Soviet Transportation Ministry, led the other team.

New Telephone Lines to Soviet Union To Open

SK1303074091 Seoul YONHAP in English 0709 GMT 13 Mar 91

[Text] Seoul, March 13 (YONHAP)—Six new direct telephone lines between South Korea and the Soviet Union will be opened Thursday to cope with increased traffic on the circuit, a Korea telecom spokesman said Wednesday.

The current four lines were introduced in November and use submarine cables between Korea and Japan, and between Japan and the Soviet Union. There was a surge in phone calls after the two countries normalized diplomatic relations in September 1990.

The six new lines use an international telecommunications satellite over the Indian Ocean, he said.

Soviet-bound calls almost doubled to 4,482 last year, from 2,188 in 1989, and calls the other way skyrocketed to 53,425, from 7,872.

Hyundai Chairman To Visit USSR for Talks

SK0703060291 Seoul YONHAP in English 0535 GMT 7 Mar 91

[Text] Seoul, March 7 (YONHAP)—Chong Chu-yong, honorary chairman of the Hyundai Group, will leave for the Soviet Union on Friday to further discuss business projects between his group and the Soviet Union, a Hyundai spokesman said Thursday.

Staying until March 14, he will meet with Soviet businessmen to discuss setting up a fish processing plant and business complex in Siberia, and exploit gas and coal resources.

Daewoo To Set Up Microwave Plants in USSR

SK1003014191 Seoul THE KOREA TIMES in English 10 Mar 91 p 8

[Text] Daewoo Corporation is set to export $500 million dollars worth of electronics manufacturing facilities to the Soviet Union.

Yun Yong-suk, president of the trading arm of the Daewoo Group, initialed an agreement on the deal with Yuriy A. Kozlov, vice Soviet electronics industry minister, at his office on March 7.

According to the agreement, Daewoo will set up microwave oven plants in three Soviet cities—Moscow, Vladikavakatz and Gorky.

The annual production capacity of each plant is set at 250,000 units.

Daewoo will also take part in the expansion of the three existing microwave plants under the control of the Soviet Electronics Industry Ministry.

In addition, the company will participate in the construction of a magnetron plant which will annually turn out 2 million microwave generators and a TV picture tube plant with a yearly production capacity of 6 million units, while carrying out six other projects.

Daewoo has carried out exports of electronics manufacturing facilities to the Soviet Union since the end of last year.

It will dispatch a working-level mission to the Soviet Union next month to substantiate the projects.

Based on the results of the mission's study, the general trading company will officially sign a contract for the projects.

It is reported that Daewoo will receive products to be manufactured by the plants in the Soviet Union in exchange for the exports of the electronics manufacturing facilities.

UK To Allow North Presence in Maritime Office

SK1403130691 Seoul YONHAP in English 1217 GMT 14 Mar 91

[Text] Seoul, March 14 (YONHAP)—Britain has decided to allow North Korea to set up its permanent representative office in the London-based International Maritime Organization (IMO) and grant entry permits to two North Korean officials to work with it, newly-appointed Ambassador to Britain Yi Hong-ku said Thursday.

Yi told journalists hours before leaving for London that the British Government recently decided to admit two North Koreans into the country on condition that their activity is limited to the IMO-related affairs.

North Korea earlier offered to set up a five-man representative mission in the IMO.

Formerly a unification minister, Yi observed that North Korea is expected to step up diplomatic initiatives at improving its image in the Western world as part of its bid to cope with the new international order created by the allied victory in the Gulf war.

He said Pyongyang has strengthened its public relations activities in the United States.

Czech Observer to Team Spirit Arrives

SK1403110191 Seoul YONHAP in English 1015 GMT 14 Mar 91

[Text] Seoul, March 14 (YONHAP)—Czech Air Force Maj. Peter Cikovsky, military attache at the Czech & Slovak Embassy in India, arrived Thursday in South Korea to observe the ongoing Korea-U.S. "Team Spirit" joint military exercise, a Defense Ministry spokesman said.

Maj. Cikovsky, 33, will join Polish and Swiss observers. The three nations are members of the Neutral Nation's Supervisory Committee of the Military Armistice Commission.

Cikovsky will return to India on March 21.

Pyongyang claims Team Spirit is an offensive drill, but Seoul says the annual military exercise is defensive and has invited the North or any other interested nation to send observers.

Soccer Group Seeking To Host Cup With North

SK1303020591 Seoul YONHAP in English 0113 GMT 13 Mar 91

[Text] Seoul, March 13 (OANA-YONHAP)—The Korea Football Association [KFA] decided in a board of directors meeting Tuesday to seek the right to host the 2002 World Cup finals in Korea.

The association's decision followed a recent government pledge to support the revamping of facilities needed for the quadrennial soccer event, a KFA official said.

The association had delayed making a decision because of insufficient facilities, he said.

If awarded the right, South Korea will try to co-host with North Korea, given FIFA's (the world's soccer governing body) reluctance to award the World Cup to one part of the Korean Peninsula

Emerging from the meeting, KFA President Kim Wu-chung said his association will concentrate efforts to see that the Second Dynasty Cup Soccer Tournament will be held in Pyongyang and hold the third round of the inter-Korean unification soccer games in fall.

South and North Korea played friendship soccer games in Pyongyang and in Seoul last year.

Sports Minister on Plan

SK1203144991 Seoul YONHAP in English 1320 GMT 12 Mar 91

[Text] Seoul, March 12 (YONHAP)—South Korea is studying a plan to host the World Cup soccer finals in 2002 jointly with North Korea, Sports-Youth Affairs Minister Pak Chol-on said Tuesday.

Pak said, in a meeting with a group of athletes, that his Ministry has decided to host the World Cup soccer events jointly with Pyongyang and got down to specific preparatory works for the plan.

Pak said that the government would make every diplomatic effort to materialize the plan.

The minister also said that Seoul would host the 44th world table tennis championships in 1995 to commemorate the formation of the first-ever joint inter-Korean team for the 41st table tennis meet in Chiba, Japan, in April, he said.

South Korea will consider inviting the 1998 Asiad to Seoul if Thailand, which was chosen as the venue for the games, returned its right to host the sports event for reasons of domestic situation, Pak said.

Ban on Gulf Travel Lifted; Iraq Ban Remains

SK1403005391 Seoul THE KOREA TIMES in English 14 Mar 91 p 2

[Text] The government has lifted a ban on travel to Kuwait and other Gulf countries, the Foreign Ministry announced yesterday. However, travel to Iraq will continue to be banned because of the unstable situation in the country.

The government issued the travel ban on Jan. 8, following the Iraqi invasion of Kuwait.

Korean Air Reinstates Flights to Middle East

SK1303005991 Seoul YONHAP in English 0037 GMT 13 Mar 91

[Text] Seoul, March 13 (YONHAP)—Korean Air (KAL) made its first flight to the Middle East Tuesday since Jan. 15, the deadline for Iraq's withdrawal from Kuwait.

The passengers included 230 construction workers and other employees of Hyundai, Samsung and Shinwha, their dependents and 113 Koreans returning to their homes in the region, airline officials said.

KAL 801 is a weekly flight from Seoul to Tripoli with stopovers in Bahrain and Jiddah.

The airline used a 400-seat Boeing 747 for Tuesday's flight instead of the regular 250-seat plane to accommodate the large number of returnees, the officials said.

Saudi King Thanks No Tae-u for Gulf War Aid

SK1303114091 Seoul YONHAP in English 1041 GMT 13 Mar 91

[Text] Seoul, March 13 (YONHAP)—King Fahd Bin-'Abd-al-'Aziz Al Sa'ud of Saudi Arabia sent a letter to South Korean President No Tae-u Wednesday and expressed his gratitude to Korea's support of the allied forces during the Gulf war, a presidential spokesman said.

King Fahd said in the letter that liberation of Kuwait was the victory of justice and thanked Korea for its dispatch of a military medical team, the spokesman said.

Describing South Korea as a friendly nation, the Saudi King reportedly said South Korea's role in the war was instrumental in leading the operation Desert Storm to a success.

Kuwait Welcomes Korean Reconstruction Projects

SK1403010691 Seoul THE KOREA HERALD in English 14 Mar 91 p 2

[Text] Kuwaiti officials have promised "favorable" treatment for Korean firms which seek to participate in postwar reconstruction of their country, Yi Ki-chu, assistant foreign minister for economic affairs, said yesterday.

He said he offered Kuwaiti officials a list of construction projects in which Korean firms wish to participate and another list of 150 goods for possible export.

Yi met them in al-Ta'if, Saudi Arabia, last week.

The Kuwaitis showed a "favorable" response and pledged that they would study the lists "positively," said Yi who has just returned from his trip to four Middle East countries—the United Arab Emirates, Egypt, Saudi Arabia and Jordan. He led a government mission on the Gulf war.

Officials of the government-in-exile of Kuwait appreciated Korea's active support for the allied forces during the war, according to Yi.

They were quoted as saying that Korean firms could participate in many projects thanks to Korea's "considerable contribution" during the war.

Yi expects contracts for reconstruction of Kuwait will be made in full scale after the U.S. Army Corps of Engineers completes emergency relief work and damage assessment in May.

Korean firms may make bids for contracts for most projects including those for reconstruction of roads and water and communications facilities, he said.

They may offer bids on their own or seek joint ventures with the United States, Britain and France, Yi said. The firms may also seek partnership with firms of Saudi Arabia and Egypt.

"What seems important now is how internationally competitive and how determined the Korean firms are," he said. He alluded to the rising labor costs in Korea.

When these are overcome, postwar construction in the Gulf will become a chance for the second takeoff for Korean construction firms, Yi noted.

Many Korean firms have been engaged in labor-intensive construction works in the Middle East.

He said many officials of the Middle East countries did not take seriously the proposals for setting up a Middle East reconstruction and development bank or a Marshall Plan for their reconstruction.

They seemed to take the problems facing them more as a matter of policy than as an institutional one, he said.

Asked about the possibility of upgrading consular relations between Seoul and Cairo to diplomatic ones, Yi said Egyptian officials he met in Cairo generally agreed on the necessity.

Yi said the officials indicated that the failure is due to a "special international situation" facing Egypt, by which they apparently meant their relations with Pyongyang.

But the Egyptians expressed satisfaction with growing economic relations between Seoul and Cairo, the assistant minister said.

Textile Orders From Middle East Rising Rapidly

SK1203081691 Seoul YONHAP in English 0555 GMT 12 Mar 91

[Text] Seoul, March 12 (YONHAP)—A stream of orders from the Middle East has South Korean fabric makers busy, textile and trade sources said Tuesday.

Stocks were depleted by the Gulf war and Muslims need cloth to make white robes for the Haj pilgrimage in June and July.

Daewoo Corp., the trading arm of the Daewoo Group, has signed a 7.2 million-U.S.-dollar deal with Iran and Hyosung Corp. a 1.1 million-dollar contract with Saudi Arabia. They are about to begin shipments.

Sangyong has a 100,000-dollar sales order from the United Arab Emirates and Samhwa is negotiating a 3 million-dollar deal. Hanil Synthetic Fiber, Dainong and Sunkyong have received letters of intent, according to the sources.

"The number of recent letters of intent is two or three times greater than before the Gulf war," a Sunkyong official said.

The orders must be ready by the end of April so the fabric reaches the Middle East before the Haj, June 13-July 11 in Mecca and Medina.

Saudi Arabia bought more than 200 million dollars of cloth last year, when Korea exported 844.926 million dollars worth to the Middle East.

Kuwait To Import 1.37 Billion Dollars of Goods

SK1103052991 Seoul YONHAP in English 0230 GMT 11 Mar 91

[Text) Seoul, March 11 (OANA-YONHAP)—Kuwait has tentatively agreed to import 1.37 billion U.S. dollar worth of goods from South Korea covering 105 items, including television sets, lamps and towels, business sources said Monday.

The agreement was made with Kuwaiti officials in Damman, based on a list of immediate needs prepared by Korea Trading International Inc., when a Korean Government fact-finding mission visited the Saudi Arabian City, the Korea Trade Promotion Corp. sources said.

Local inventory is sufficient for delivery within 30 days, they said.

The Korean team, which left for the region on Feb. 24 to tap the possibility of Korean participation in postwar rebuilding, comprised officials from six ministries. It returned March 9 after a tour of Saudi Arabia, the United Arab Emirates, Egypt and Jordan.

The order includes 60,000 color televisions, 60,000 video cassette recorders, 200,000 radio-cassette players, 33,000 refrigerators of over 200 liters, 1.3 million lamps, 4 million batteries, 7.4 million rolls of tape, 3,000 tons of cable and wire and 300,000 towels.

Other items are 260,000 military uniforms, 225,000 T-shirts, 130,000 running shirts, 300,000 military ponchos, 2 million gas lighters, 1,000 tons of sugar, 5 million pairs of shoes, 10,000 twenty-foot containers, 300 pieces of heavy equipment, 1,100 trucks, 1,500 12-seat buses and 200 medium-sized buses.

Kim Yong-sam Urges National Party Convention

SK1403044591 Seoul YONHAP in English 0424 GMT 14 Mar 91

[Text] Seoul, March 14 (YONHAP)—Ruling party Executive Chairman Kim Yong-sam said Thursday consideration should be given to holding a special national party convention this summer, a move seen closely linked to his presidential ambitions.

His remarks to reporters match growing demands by his faction in the Democratic Liberal Party (DLP) for an early party convention, in April or May. One is not scheduled until May 1992.

He is certain to meet heavy opposition from factions headed by President No Tae-u and DLP co-chairman Kim Chong-pil, who do not want to nominate a presidential candidate before next year.

While acknowledging the demands of his faithful, the executive chairman brushed aside the proposed April or May date.

"The party must remain silent until after the local elections in large constituencies this June," he said. "Then, a party convention should definitely be considered."

Followers from his old democratic reunification party have intensified their call for an early convention from last month, after the great expose of the Suso housing scandal. They claim the convention is necessary for party rebirth and rediscipline from the scandal.

Presidential nomination is the top task at the next DLP convention, and Kim and his faction are seen as trying to secure the nomination for themselves and consolidate their central grip within the party.

No's single five-year term ends in February 1993.

Reportage on 26 Mar Local Assembly Elections

Candidate Registration Figures

SK1403002991 Seoul THE KOREA HERALD in English 14 Mar 91 p 1

[Text] The districts uncontested in the March 26 local assembly elections total as many as 443, showing little public interest in the balloting, the first 30 years.

The figure represents a whopping 12.4 percent of the total 3,562 electoral districts in small cities, counties, and wards in big cities. The large-unit local council elections are scheduled for June.

Candidacy registration for the coming elections ended 5 p.m. yesterday.

Local council elections were suspended in 1961 when the military took political power.

The Central Election management Committee (CEMC) announced last night that 10,119 people registered their candidacy with local election management offices to contest 4,304 seats nationwide. The figure means a moderate competition ratio of 2.35 to 1.

There are 83 uncontested districts in Seoul which constitute 5.8 percent of the total constituencies in the capital.

Surprisingly, of 17 in the high-income district of Kangnam in Seoul, 11 are uncontested, according to the CEMC.

In Taegu, the third largest city in Korea, the number of uncontested districts totals 60, or 42 percent of the total 141 areas.

CEMC officials attributed the lower than expected competition to public distrust of politicians mainly caused by the Suso bribery scandal, strict restrictions on campaigning, and a lack of publc knowledge of the local self-government system.

The influence-peddling scandal allegedly involving five legislators and a former presidential aide came on the heels of a bribery case involving three lawmakers accused of taking bribes from a lobby group for their junket abroad.

Kangwon-to topped the competition with a ratio of 2.8 to 1, whereas Taegu has the lowest competition of 1.59 to 1.

The comparable ratio is 2.35 to 1 in Seoul and 2.77 to 1 in Chollnam-to.

CEMC officials said that there is more competition in provincial areas than urban districts.

The number of women candidates is less than 1 percent of the total registered candidates, they said.

By age, those in their 40s and 50s account for more than 70 percent of the total registered.

One council member is to be picked from each of the small administrative unit of "dong" in cities. But two will be picked in dong with population between 20,001 and 40,000 and three from dong with population between 40,001 and 60,000.

More than half of those running in the coming local council elections are reportedly members of the ruling Democratic Liberal Party [DLP] and pro-DLP figures, clouding prospects for the healthy development of local self-government.

Candidates who belong to the ruling party constituted 45.2 percent or 3,853 of 8,529 people filing their candidacy whith local election management offices as of Tuesday, ruling party sources said.

They are distantly followed in number by candidates affiliated with opposition leader Kim Tae-chung's Party for Peace and Democracy with 12.6 percent or 1,075 people and those belonging to the minor Democratic Party with 2.8 percent or 151 persons.

Candidates who are members of the progressive Minjung (People's) Party of Korea total nine.

The remaining 39.3 percent, or 3,300 people, are listed as "independents," though over half of them are pro-DLP figures, the sources said.

Lawful Elections Ordered

SK1303011491 Seoul THE KOREA TIMES in English 13 Mar 91 p 3

[Text] Prosecutors across the nation were ordered yesterday to ensure the strictest possible application of the Local Council Election Law to deny interference in the local polls by political institutions. The elections, first in 30 years, are scheduled for March 26.

In a meeting of senior prosecutors in charge of public security yesterday, Prosecutor General Chong Ku-yong told them to zero in on election law violations committed by members of political parties.

Prosecutors were instructed to punish political party cadre members who receive money from local assemblyman aspirants in return for nominating them as party candidates.

Those involved in the "shady" deals will be charged with violating the Law Governing Political Funds, Chong warned.

Chong directed prosecutors to crack down on labor activists who take advantage of local council election campaigning by holding rallies or launching anti-government campaigns on streets.

Electioneering by labor unionists will be checked as it constitutes a violation of the Labor Union Law which bans political activities by unions, the top prosecutor said.

Accordingly, labor unions cannot support candidates, provide campaign funds to them or systematically oppose a certain political party or its candidates, Chong said.

The PGO [Prosecutor General's Office] head said the law enforcement authorities will intensively crack down on three types of election law violation—slandering candidates, bribing voters and blackmailing of or violence against campaigners of other candidates.

The chief prosecutor warned that the authorities will punish voters who are bribed as well as those who give them money.

Chong ordered senior prosecutors to set up special task forces to crack down on such election fraud as ballot rigging.

In addition, the chief prosecutor pledged that the law enforcement authorities will harshly deal with labor disturbances engineered by radical unionists as soon as they start.

Chong warned that the authorities will punish heavily those caught carrying Molotov cocktails as well as their throwers.

Meanwhile, prosecutors have caught 324 election law violators since January. Of them, 10 are being held and 78 were booked without physical detention.

Prosecutors made a list of 133 "habitual" firebomb hurlers and are tracking them down.

PPD Demands Fair Elections

SK1303064191 Seoul YONHAP in English 0622 GMT 13 Mar 91

[Text] Seoul, March 13 (YONHAP)—Kim Tae-chung, president of the main opposition Party for Peace and Democracy (PPD), called on the government Wednesday to guarantee clean and fair local elections.

"The government is trying to manipulate the elections and to orchestrate them, while creating an atmosphere of terror in Korea," Kim said.

The PPD would therefore set up a committee Thursday aimed at keeping government power, which refers to public security and law enforcement authorities, from meddling in the March 26 elections, the opposition leader told reporters.

He maintained that the Agency for National Security and Planning had crafted election plans and was carrying them out and the ruling Democratic Liberal Party was left out in the cold.

"The government's mobilization of about 10,000 civil servants as election watchers is obviously a violation of the Election Law," he said. "My party will take legal countermeasures if the government refuses to withdraw this decision."

Due to the atmosphere of intimidation created by the government, many opposition candidates had decided not to run for election, he said, alleging that 3,040 would-be candidates who support the PPD had abandoned the race in the Seoul-Inchon area.

"About 13,000 citizens were briefed by the Inchon City Council on city affairs and voters in Puchon City were taken on a tour of a tunnel near the Demilitarized Zone by the city authorities, Kim said, claiming that these were examples of illegal government attempts to influence the outcome of the coming elections.

Candidate Said Coerced To Quit

SK1303012691 Seoul THE KOREA TIMES in English 13 Mar 91 p 3

[Text] Police apprehended nine people in Seoul yesterday for allegedly using force trying to coerce a candidate in the local assembly elections in dropping his candidacy.

Seoul's Namdu Police Station arrested eight of them including Kim Tu-hwan, 23, and Song Ki-song, 21, on charges of breaking the Laws on Local Assembly Elections and Punishment for Violent Acts.

Police alleged that Yi Chon-pok, 49, gave 3 million won to Kim, an excon, asking his to help Choe Pyong-tae, 32, a member of the ruling Democratic Liberal Party, win the local election in the Sihung 3-dong constituency in southwestern Seoul.

Yi is on the staff at Choe's election campaign office.

Kim visited the election offices of Pak Yong-son, 36, who is running the local election also in the Sibung 3-dong constituency along with Choe and six others at about 8 p.m. last Friday, police investigators said.

Police said that Kim and his seven cronies sought to "persuade" Pak to quit his candidacy, saying that in case Pak and Choe run in the same constituency, both of them would be completely ruined together.

Kim and his colleagues picked a brawl with Choe Po-on, 32, one of Pak's staffers at 11:40 p.m. on the day when they happened to meet him at a tavern near Pak's office, according to police.

Police said that they dragged Choe to the nearby election office and beat him up, damaging the office furniture.

Meanwhile, police booked Yi without physical detention for violation of the Local Assembly Election Law.

Military To Change Method of Informing Media

SK1103060191 Seoul YONHAP in English 0527 GMT 11 Mar 91

[Text] Seoul, March 11 (YONHAP)—The Defense Ministry, in a bid to get rid of the military's rigidity and centralization, has taken steps to reduce the Defense Security Command's [DSC] control over military events and publicity activities, a Defense Ministry official said Monday.

"Under a revision to the military security affairs implementation rules, drafted by the Defense Ministry, military units at every echelon will exercise their own judgement over whether to give information to the media or hold events attended by civilians, which currently requires permission from DSC or detached DSC units," said the official who demanded anonymity.

"Army, Navy and Air Force Headquarters and units above division level may, free of DSC control, publicize events, military operations and training programs and announce accidents as decided by the head of intelligence," he said.

Military affairs that cannot be left to one unit's judgement or involve several units, will still be controlled by DSC.

The ministry was trying to eradicate the irresponsibility and inefficiency caused by the centralized command system, he said.

Industrial Complex Planned in Qingdao, China

SK1303033191 Seoul YONHAP in English 0252 GMT 13 Mar 91

[Text] Seoul, March 13 (YONHAP)—An industrial complex for South Korean businesses will be built in the Chinese City of Qingdao, Shandong Province, by June, business sources said Wednesday.

The U.S. firm U.G.I. has purchased 132,000 square meters of land for the Qingdao municipal industrial complex, exclusively for companies from South Korea, and construction is to begin in May for completion in June, sources in Korean trading firms and in the International Private economic Council of Korea (IPECK) said.

Thirty textile, leather and toy companies will be the first offered to move in, but pollution-related and toxic chemical companies are to be denied entry, the sources said.

Before work starts, U.G.I. will arrange a tour of Qingdao for the businesses April 18 and it is consulting with Citibank of the United States, the Bank of China and the Export-Import Bank of Korea about loans for the purchase of site and equipment.

If the industrial complex is established, it will be the first for only Korean firms in a communist nation and many companies are expected to move there.

A concrete feasibility study on a government as well as on a business basis should be made as Chinese provinces are competing for Korean firms and China in general is badly informed of the concept of an industrial complex, they said.

"It is highly possible that rash entry into the industrial complex by Korean firms may work against their advancement into China," an IPECK official said, adding that MGM and three other U.S. firms had made similar proposals to that of U.G.I.

Since Daewoo set up a refrigerator plant at Fuzhou, Fujian Province, in 1985, Korean companies have invested 81.3 million U.S. dollars in 67 projects in China, or 87 percent of 77 projects worth 164.9 million dollars.

The Korean firms in China are scattered among 10 industrial complexes along the coastline.

Mongolian Officials Arrive To Study Economy

SK1203093591 Seoul YONHAP in English 0902 GMT 12 Mar 91

[Text] Seoul, March 12 (OANA-YONHAP)—Thirty high-ranking Mongolian Government officials arrived Tuesday to learn the recipe for South Korea's economic success.

Headed by Deputy Finance Minister D. Davaasambuu, they include governors, mayors and the auditor of the central bank and will stay until April 10.

They will receive explanations of capitalism and rural development at the Korea Development Institute, the Korea Institute of Economics and Technology, and the Korea Industrial Development Institute, and tour the factories of Hyundai electronics and KIA Motors Corp., and Panwol and Kuro industrial complexes.

The Mongolians will also meet with current and former Korean Government officials to discuss ways to improve bilateral economic cooperation.

No Urges Increased Spending on Technology

SK1403084791 Seoul YONHAP in English 0554 GMT 14 Mar 91

[Text] Seoul, March 14 (YONHAP)—President No tae-u instructed the government Thursday to raise spending in support of technology development and draw up a five-year plan to ensure the money produces fruit.

No, presiding over a meeting on the development of manufacturing industry, directed that engineering colleges in Seoul increase the number of students they recruit within the limit of 2,000.

He ordered an increase in construction of factories for rent to small companies and of infrastructure, and he stressed the importance of cooperation for ministries to carry out his plans effectively.

No called on businessmen to positively participate in the education and training of technicians and the development of manufacturing technologies.

Deputy Premier Choe Kak-kyu reported to the president that 919 high technologies will be developed by 1995 to enhance Korean manufacturers' international competitiveness.

Government To Subsidize Up-To-Date Technologies

SK1403043691 Seoul YONHAP in English 0404 GMT 14 Mar 91

[Text] Seoul, March 14 (YONHAP)—The government will help business develop 919 up-to-date technologies, which advanced nations are reluctant to transfer to South Korea, to boost manufacturers' international competitiveness.

The government will invest 155 billion won (213.8 million U.S. dollars) every year from this year to 1995 and private business will match that amount, for a total investment of 1.55 trillion won over the five-year period.

An additional boost for international competitiveness will come from the development of factory sites and increased quotas for science and engineering departments in colleges, universities and graduate schools. Colleges will be allowed to recruit an additional 4,000 students a year from 1992 to 1995 and graduate schools 2,500, for a total growth of 10,000 by 1995.

A state-run engineering college will be set up and the quota for existing engineering colleges raised.

The measures, reported to President No Tae-u, include developing industrial complexes covering 9.25 million pyong (30.53 million square meters), transforming 10.7 million pyong of reclaimed land on the west coast into factory sites and reducing customs duty up to 60 percent on factory automation equipment and state-of-the-art facilities it is hard to make in Korea.

Deputy Prime Minister Choe Kak-kyu told No that Korea's major export industries face limits in international competition.

Choe, and six Cabinet ministers reported to the president on their fields in connection with reinforcing the competitiveness of the manufacturing industry in Thursday's meeting held in the presidential office, in which some 250 representatives from the National Assembly, political parties, businesses, academia, the press and labor also participated.

The government will make a concentrated effort to support businesses and to restore competitiveness through technology development and rationalization of management, according to Choe, who is also economic planning minister.

The 919 technologies that will be developed by 1995 include 363 information and telecommunications technologies, 179 machinery , 52 automotive, 69 petrochemical and 254 others.

To oversee the task, the government will set up a consultation council headed by the vice minister of trade and industry. The council will devise a detailed technology development plan by the end of May.

High-technologies for development are liquid crystal display, high-definition television, semiconductor manufacturing equipment, ultra-small braun tube and 64 mega dynamic ram (random access memory) chip.

The government will boost financial and taxational backing for manufacturers.

The government will give manufacturing companies 16 trillion won in facility funds from 21 trillion won to be raised for all industries from banks and the stock market.

The government will give small- and medium-sized companies preferential credit guarantees from the Korea Credit Guarantee Fund if they buy domestically manufactured machinery.

Charges for "consignment" development of technologies paid to reliable foreign research organizations or expenses for joint development with foreign research agencies will be granted tax exemption.

To help ease the manpower shortage in the manufacturing sector, the government will increase the number of engineering high school students by 240,000 to 450,000 in 1995 from the present 210,000.

Also to be actively boosted are technical colleges.

The Labor Ministry will open three public job training centers this year and 10 special professional training institutes for students attending non-engineering high schools. It will also study ways to bring housewives and retirees into the workforce.

The Construction Ministry will designate 20 specialized industrial complexes covering 19.5 million pyong this year for machinery, automobile and petrochemical companies.

Trade Minister Warns of Excessive Competition

SK1303015691 Seoul THE KOREA HERALD in English 13 Mar 91 p 6

[Text] Minister of Trade and Industry Yi Pong-so called on major export companies not to engage in excessive sales competition among themselves in overseas markets for the sake of national interest.

The trade minister was referring to the ongoing cutthroat competition among Korean firms for exports to the Soviet Union and the Middle East, which he said have caused the loss of national interests and prestige and trade frictions with other countries.

At a meeting with representatives of the nation's eight general trading companies [GTC's], Yi said, "Export conditions are becoming favorable, thanks to the early ceasefire in the Gulf war, Korea-Soviet economic cooperation and the currency depreciation against the U.S. dollar."

He said that the GTCs should take the lead in utilizing these long-awaited export opportunities, while refraining from disorderly sales struggles among the compatriot firms.

Yi told them to consult and cooperate on exports of materials, consumer goods and industrial plants to the Soviet Union, to be financed by Seoul's tied loan to Moscow.

Pointing out that the global trade pattern change will accelerate in the aftermath of the Gulf war, Yi said both the government and private businesses should cope with the new international business order with combined efforts.

"The government for its part will soon come up with a comprehensive package for enhancing industrial competitiveness, comprising support measures in all related areas such as technology development, industrial manpower, investment fund and factory sites," Yi said.

The GTCs, mostly trading arms of major business groups, currently have about 70 salesmen in the Middle East negotiating for export deals, officials said. Between Feb. 25 and March 5, they won orders worth $77.4 billion.

Total exports of the eight companies in the first two months of this year were $3.52 billion, up 16 percent from a year earlier, they said.

The GTC officials asked the government to help them retrieve contract payments from Iraq, the combined total of which they said amounted to $223 million. They also requested more diplomatic efforts for the early redispatch of company officials to Mideast countries and active participation in the newly-established Middle East bank for reconstruction and development.

Industry Ministry To Enhance Competitiveness

SK1403072091 Seoul YONHAP in English 0529 GMT 14 Mar 91

[Text] Seoul, March 14 (YONHAP)—The Trade and Industry Ministry will push ahead with plans to enhance the competitiveness of eight leading industries—electronics, cars, machinery, steel, textile, petrochemicals, shipbuilding and footwear.

In the electronic industry, major development targets for 1995 are liquid crystal devices, small precision motors and 16 core parts, high-definition televisions, new generation facsimiles, 2 giga-byte super mini computers and two other high-tech products.

Shares in overseas marketing funds may be held within 2 percent of turnover in foreign currencies, to encourage exports of home appliances and electronic exchangers.

The ministry also promised to set up an industrial complex for software companies on 50,000 pyong (16.5 hectares) of land near Seoul.

The budget for research and development in the car industry will be raised to 1.2 trillion won (1.7 billion U.S. dollars) a year, or 5 percent of turnover, from 400 billion won (552 million dollars), or 4 percent of turnover.

The plans require development of emission control technology, an auto transmission system and six other technologies by 1995. By grouping together 70 auto parts research centers, the ministry seeks to build a think-tank complex in Osan, 40 kilometers south of Seoul, on 30,000 pyong (9.9 hectares) of land.

Some 1.2 million pyong (396 hectares) will be added to car factories in Tangjin in South Chungchong Province and Talsong in North Kyongsang Province. Industrial complexes for auto parts manufacturers will be created in Kunsan, Inchon, Ulchu and Talsong on 2.6 million pyong (858 hectares) of land.

The textile industry projects development of dyeing, new material and 24 other technologies by 1995 and will establish a research center in the Korea Academy of Industrial Technology to support smaller firms.

Factory automation will rise from 45 percent to 60 percent by 1995 in the weaving, sewing and dyeing sectors. A textile college will be set up and import quotas will increase.

The ministry will build a machinery complex on the west coast on 3 million pyong (990 hectares) and a parts complex near Changwon in South Kyongsang Province on 500,000 pyong (165 hectares) to boost localization of 4,000 items dependent on Japanese products.

Also on the development list are dyeing machines, intelligent robots and 132 other basic maufacturing technologies.

Report Cites Lack of Research Investment

SK1403084591 Seoul YONHAP in English 0542 GMT 14 Mar 91

[Text] Seoul, March 14 (YONHAP)—South Korean manufactured goods depend too much on foreign design and technology, chiefly due to lack of investment in research and development (R&D), a government report said Thursday.

If the technology level of advanced nations is 100, Korean computers are 50 in hardware and 20 in software, cars 80 in design and 95 in assembly, home electronics 50-60 in design and 80 in assembly, and telecommunications equipment 30-50 in design and 80 in assembly, said the report, prepared by the Economic Planning Board and the Trade and Industry Ministry.

In production of semiconductors, an indispensable component of many products, Korea trails in crucial technologies such as the wafer process, high-speed and high-integration.

R&D investment is a miniscule share of turnover across the board compared to advanced nations. With automakers, for example, it is 3.2 percent in Korea and 4.7 percent of Japan.

The poor performance of manufacturers is attributed to poor in-house technology and inefficient labor as well as to sluggish investment, it said.

In numeric-controlled machinery, textiles, steels, shipbuilding and petrochemicals, Korean technology levels are 50 percent to 75 percent of advanced nations. In footwear, however, Korea is second only to Italy.

Vehicles sold on the domestic market have relatively high localization rates, 96 percent for compact cars and 97 percent for trucks.

Localization of one-mega dram semiconductor chips is 30 percent, in-house production equipment 4 percent, telephone exchange equipment and facsimiles 70 percent and portable phones 50 percent.

Color televisions have a localization rate of 96 percent, which is high, but personal computers have a rate of 85 percent, printers 55 percent and color monitors 85 percent, according to the report.

Machining centers are 63 percent localized, NC [expansion unknown] mills 66 percent and NC lathes 69 percent. The rate for shipbuilding lingers at around 80 percent due to the use of foreign engines and main equipment.

If the labor efficiency of advanced nations is 100, the Korean automobile industry is 24, the home electronic and electric products sector 50-70, computers 20, telecommunication equipment 20, semiconductors 64, NC machinery 20, textiles 30-60, steels 70-75, shipbuilding 40 and petrochemicals 68.

Private Firms Fare Better Than State-Invested

SK1303033991 Seoul YONHAP in English 0259 GMT 13 Mar 91

[Text] Seoul, March 13 (YONHAP)—State-invested companies fared badly last year compared with the 489 private firms listed on the Korea Stock Exchange, a report by the Economic Planning Board [EPB] said Wednesday.

The combined profit of the 24 corporations dropped 12 percent to 1.585 trillion won (2.187 billion U.S. dollars) last year from 1989, though turnover rose 15.3 percent to 19.374 trillion won, the report on business performance of state-invested firms said.

The combined turnover of the private firms rose 16.8 percent and their profits grew 4.1 percent.

The poor performance of state-invested firms was due to inefficient management and failure to adapt to changes in external business conditions, such as rises in crude oil prices, the EPB report said.

The increased turnover was chiefly due to demand for telephones and electricity, quality cigarette consumption and turnover growth of banking institutions and construction-related firms.

High crude prices and massive foreign exchange losses were the main factors in the decline of profits.

Profit fell from 9.6 percent of capital to 7.7 percent, and from 10.8 percent of turnover to 8.2 percent.

Korea Electric Power Corp. (KEPCO) had the largest turnover of the 24 corporations with 5.006 trillion won, up 10 percent from 1989, followed by Korea Telecom with 3.445 trillion won, up 18.46 percent, the report said.

The Korea Overseas Development Corp. showed a drop of 13.1 percent in turnover due to a decrease in government subsidies and the Daehan Coal Corp. marked a 1.9 percent decline to 188.6 billion won as a result of decreased coal production.

In net profit, 12 of the firms had increases, eight decreases and two suffered losses.

KEPCO was top with a profit of 605.9 billion won, but this is down 20.9 percent from 1989. Foreign exchange losses at KEPCO amounted to 121.1 billion won and production costs rose with the jump in fuel prices.

Korea Telecom earned a net profit of 346.5 billion won for second place, up 11.2 percent from the previous year, while the Korea Tobacco and Ginseng Corp. registered a 58 percent growth to 198.9 billion.

Korea Development Bank saw a 73-percent fall in profit to 11.5 billion won, mainly due to foreign exchange losses amounting to 29.8 billion won and payment of interest on bonds.

Korea Land Development Corp. had its profit slashed 55 percent from 198.7 billion won in 1989 to 90.2 billion won last year. The sharp decline was ascribed to the sale of land at low prices.

Daehan Coal Corp. and Korea Labor Welfare Corp. suffered losses of 21 billion won and 3.3 billion won, respectively, worse than in 1989.

As of the end of 1990, the aggregate assets of the 24 firms was 93.612 trillion won, up 20.6 percent from 1989, and their net worth was 20.390 trillion won, up 7.4 percent. Total debts gained 24.9 percent to 73.222 trillion won, indicating that their financial status worsened slightly.

Fifteen of the companies, including KEPCO, paid 245.3 billion won in dividends to the government and 78.4 billion won to private investors.

Personal Computer Exports Plunge 39.5 Percent

SK1303011291 Seoul YONHAP in English 0044 GMT 13 Mar 91

[Text] Seoul, March 13 (YONHAP)—Exports of personal computers plunged 39.5 percent last year to 640 million U.S. dollars because South Korean computer makers were unable to adapt to rapidly changing customer demands in the United States and Europe, an industry source said Wednesday.

Korean firms exported 1.05 billion dollars of computers in 1989, but were unprepared for the sudden shift in specifications of their buyers and lost many customers, he said.

In the first half of 1990, exports were off 39.6 percent at 312 million dollars.

Goldstar To Sell TV Parts to Egyptian Firm

SK0903015391 Seoul YONHAP in English 0111 GMT 9 Mar 91

[Text] Seoul, March 9 (YONHAP)—Goldstar Co. of South Korea has signed a sales contract in Cairo with Engineering Industries Corp. of Egypt for 300 million U.S. dollars of color television components, a company spokesman said Saturday.

Over seven years from August, Goldstar will ship components for 250,000 television sets a year to an assembly operation in Egypt that will put the Goldstar brand on the finished products, he said.

Goldstar hopes the arrangement will give it access to markets in the Middle East, currently dominated by Japanese brands.

Burma

Radio Reports Antidrug 'National Task' Successes

BK1303152991 Rangoon Domestic Service in Burmese 1330 GMT 13 Mar 91

[Text] Considering drug suppression programs in the Union of Myanmar [Burma] as a national task, the Defense Services, People's Police Force, Customs Department, and Central Drug Abuse Control Board are continuously carrying out coordinated efforts to fight the threat of drugs. Accordingly, Defense Services columns, local police units, and local people destroyed poppy plantations from 1 January to 28 February 1991. A total of 1,939.38 acres of poppy were destroyed—1,874.12 acres of poppy in Shan State and 65.7 acres of poppy in Chin State [figures as heard]. Based on the estimated yield of 4.4 kg of opium per acre, we were able to prevent production of 8.535 tons of opium.

In addition, arrests were made and narcotics seized. Defense Services columns seized 29.7 kg of raw opium and 0.243 kg of heroin. The People's Police Force seized 86.16 kg of opium involving 94 cases, 14.02 kg of heroin involving 314 cases, 160.98 kg of marijuana involving 125 cases, and 271.33 liters of phensedyl [cough syrup] involving 32 cases. Together with 392 other drug-related cases, action was taken in a total of 957 cases.

The Customs Department also seized 5.722 kg of heroin and 8.75 liters of phensedyl.

During this two-month period, legal action was taken against 1,320 people.

The total value of narcotic drugs involved in the cases was 361,128,632 kyat, or the equivalent of U.S.$60,318,532.

Air Transport Agreement Signed With Laos

BK1203160191 Rangoon Domestic Service in Burmese 1330 GMT 12 Mar 91

[Text] A ceremony to mark the signing of an air transport agreement between the Union of Myanmar [Burma] and the Lao People's Democratic Republic was held at the Bogyoke Hall of the International Airport in Yangon [Rangoon] today. Present on the occasion were U Tin Ohn, director general of the Directorate of Civil Aviation under the Ministry of Transport and Communications, and Mr. Thong Siphounmi, director of the Civil Aviation Department of Laos.

Delegates from the two countries held talks from 8 to 9 November 1990 in Yangon to make the conclusion of the agreement possible.

Brunei, Malaysia & Singapore

Malaysia

Malaysian Officials Deny Mahathir Suffered Stroke

BK1403113291 Singapore Domestic Service in English 1100 GMT 14 Mar 91

[Text] Malaysian officials have denied rumors stating [words indistinct] financial markets in Singapore and Malaysia that the Prime Minister Datuk Sri Dr. Mahathir Mohamed had suffered a stroke and had been hospitalized.

Local news agencies quoted a spokesman in the Prime Minister's Department assuring that Dr. Mahathir is fine and there is no truth to the rumors.

The rumors caused prices on the Kuala Lumpur Stock Exchange to dip in the last hour of trading before the market closed.

Local Investors To Engage in Rebuilding of Kuwait

BK1403060891 Kuala Lumpur BERNAMA in English 0414 GMT 14 Mar 91

[Text] Kuala Lumpur, March 4 (OANA-BERNAMA)—The cabinet has approved a set of recommendetions to be undertaken by the public and private sector to participate in the reconstruction of Kuwait.

These include plans to get local businessmen to supply building materials to contractors engaged in the reconstruction of the wealthy emirate.

The recommendations were prepared by the economic planning unit (EPU) of the Prime Ministers Department following the completion of its study on the impact of Gulf war on the Malaysian economy. The EPU would hold a meeting with the representatives of the various government agencies at the end of the week to discuss specifc implementation of the recommendations.

Director-general of EPU Mohamed Sharif Kassim said the unit, which co-ordinated the study together with several other government agencies, would now coordinate the implementation of these recommendations. The implementation of the recommedations would be treated with urgency to ensure that the negative effects of the Gulf war are overcome immediately without losing out on whatever opportunties following the war," he said.

He added another recommendaton was to extend the special export credit facilities for primary commodities to more importers. Yet another recomendation calls for the review of the export credit refinancing scheme from the current 180 days to possibly a year.

This is to enable West Asia countries more time to finance for their imports.

He added that Malaysian trade commissioners and Malaysian export promotion centres collecting and disseminating information on possible new avenues and markets in West Asia for Malaysian businessmen. He said Malaysian exporters could use this opportunity to penetrate the Middle Eastern market.

Vietnam Interested in Technology Transfers

BK1403070291 Kuala Lumpur BERNAMA in English 0441 GMT 14 Mar 91

[Text] Kuala Lumpur, Mar 14, (OANA-BERNAMA)—Vietnam is keen on a transfer of technology from Malaysia especially in the fields of rubber and palm oil cultivation and electronics.

The Vietnamese is now looking forward to more and closer association with Malaysians who are experienced in many fields, visiting Vietnamese Member of Parliament Phan Quang Sieu said.

"We admire the growth of your country and you are experienced in many things," he said.

"I am here to study the mass communications set up," Quang, who is the director-general and editor-in-chief of the radio network the Voice of Vietnam said.

Quang said Vietnamese would be interested in joint-ventures with Malaysians.

Singapore

Medical Team Returns From Gulf Duty 13 Mar

BK1303152691 Singapore Domestic Service in English 1400 GMT 13 Mar 91

[Text] The 13-member Singapore Armed Forces medical team returned from Saudi Arabia today. They were greeted on arrival at Changi airport by the Second Minister for Defense, Dr. Yeo Ning Hong and the Senior Minister of State for Defense, Dr. Lee Boon Yang. The team had been away from 18 January.

During the Gulf war they were stationed at the British Army hospital 400 hundred kilometers behind the front lines. The team was commended by the commander of the British Forces of the Middle East, Lieutenant-General Sir Peter de la Billiere. He said he was impressed with such a professional team and such (?an) international level.

After the ceasefire, two Muslim members of the medical team, Staff Sergeant Mohamed Fauzi Rodrigues and Corporal Mohamed Yusuf Karim went on a pilgrimage to Mecca and Medina.

Cambodia

VONADK Reports on Southwest Battambang

BK1403030891 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 13 Mar 91

["Special Report on Attacks Against the Vietnamese Enemy and Vietnam's Puppets and Lackeys on Route 10-Pailin Battlefield"]

[Text] Between mid-October 1990 and mid-March 1991, arduous fighting took place between the Vietnamese enemy and Vietnam's puppets on the one hand and our national resistance forces on the other. The Vietnamese enemy gathered troops, particularly new soldiers from Vietnam, and launched five big offensives from the north, east, and south of Route 10 between mid-October 1990 and March 1991.

In each offensive, the Vietnamese enemy used thousands of troops, dozens of tanks, and many artillery pieces and multiple rocket batteries in many waves of attacks from the north, east, and south, with tanks acting as the most important spearhead and artillery pieces and multiple rockets as support to open the way. In all five clashes, however, our national resistance forces smashed and destroyed much of the Vietnamese enemy troops and war materiel.

From the end of October 1990 to early March 1991, the preliminary result is that our national resistance forces killed 600 Vietnamese enemy soldiers and wounded over 1,000 others; we destroyed or damaged 47 T-54 tanks and destroyed four multiple rocket batteries, seven artillery pieces, and 80 percent of the Vietnamese enemy warehouses and positions along Route 10.

The reasons for such good results are because:

1. Commanders had a good grasp of the situation in every field—political, organizational, and moral, and also fighting methods, which ensured that forces in every sector had been well preserved.

2. Through this grasp of the situation and the safeguard of commanders and combatants, the fighting was well conducted and well coordinated with combined forces, infantry, and artillery; with the use of artillery tactics, tank and mine field strategy; and in particular with reconnaissance teams and commandos operating behind enemy lines.

The commandos operating behind enemy lines played a key role. They attack the enemy night and day. At night in particular, they are the eyes, ears, and brains of the command post. These commandos keep the enemy in check night and day; they strike at the enemy like lightning. At night in particular, they point out the concentrations of enemy troops and rest points for the artillery to pound and scatter these troops. These commandos actively lay anti-tank and anti-personnel mines behind enemy tanks and infantrymen. In particular, the political and organizational work to set up commandos behind enemy lines is very important. These commandos operate behind enemy lines until providing good political and organizational structure and active fighting methods in accordance with the enemy's situation.

VONADK: 4 Tanks Destroyed Near Battambang

BK1403035491 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 13 Mar 91

[Text] On 8 March, the Vietnamese enemy aggressors and race exterminators and their puppets and lackeys gathered a regiment of their troops, backed by 12 tanks and multiple rocket batteries, in an attempt to oppose us south of Taphde on south Battambang battlefield [Battambang Province]. They were ambushed and routed, however, by our national resistance forces.

We killed 35 enemy soldiers, including a battalion officer, and wounded a number of others. We destroyed four tanks and seized a quantity of assorted war materiel.

VONADK: Stretch of Route 68 'Liberated'

BK1403033491 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 13 Mar 91

["Special Report on Attack Against the Vietnamese Enemy and Vietnam's Puppets and Lackeys on Route 68-Oddar Meanchey Battlefield"]

[Text] There have been successive battles on the Route 68-Oddar Meanchey battlefield. In the first week and at the beginning of the second week of March 1991 our national resistance forces completely smashed the Vietnamese enemy on and along Route 68 in Oddar Meanchey Province's Chongkal and Srei Snam Districts.

As a result, we completely liberated this stretch of Route 68 and liberated another 19 villages; killed 46 Vietnamese enemy soldiers and wounded over 70 others. So far, the Vietnamese enemy have not yet been able to provide any assistance to the battlefield on Road 68; it still has no troops to assist the Oddar Meanchey provincial seat at Samraong.

Reportage on Military Situation in Kampot

BK1403090991 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 13 Mar 91

["Special Report on Attack Against the Vietnamese Enemy and Vietnam's Puppets and Lackeys in Kampot Province"]

[Text] 1. From mid-January to early March 1991, active fighting took place between the troops of the Vietnamese enemy and Vietnam's puppets on the one hand, and our national resistance forces on the other, in Kampot Province, particularly in Chhuk, Kompong Trach, and Kampot Districts, and Dang Tong sub-province, which was recently set up by the Vietnamese enemy. In the fighting, our national resistance forces swept out small and medium positions of the Vietnamese enemy and Vietnam's puppets along Route 3 from Noreay to Chakrei Ting. In Chhuk District on Route 3, we swept puppet state authorities in four communes and 28 villages. Further down Route 3 in Chhuk District, we liberated three communes and 16 villages.

In Dang Tong sub-province, newly set up by the Vietnamese enemy, we liberated three communes and 12 villages. In Kampot District, we liberated three communes and 15 villages, particularly in Phnum Voa, Kbal Romeas, and Kon Sat Communes. In Kompong Trach District, we liberated three communes and 16 villages, particularly in the Damnak Chang-aeu, Lok, and Pong Toek areas, etc.

Our national resistance forces launched attacks near Kampot provincial town, from the west and the east to Cheung Preal Commune, right on the town's outskirts.

2. The Vietnamese enemy and Vietnam's puppets and lackeys were in great panic and called for assistance from the Vietnamese enemy and Vietnam's puppets in Phnom Penh. Some troops were dispatched from Takeo, Kandal, and Kompong Speu Provinces, and some from Phnom Penh, combined with Vietnamese troops from Hatien [in Vietnam's Kien Giang Province] to attack our national resistance forces in our newly liberated area. After a 10-day campaign, in the third and fourth week of February, the troops of the Vietnamese enemy and Vietnam's puppets were routed and the liberated communes and villages of our national resistance forces remain in our hands. Troops of the Vietnamese enemy and Vietnam's puppets suffered serious losses, nearly 100 dead and over 200 wounded.

The Vietnamese enemy and Vietnam's puppets in Kampot town are in great fear because of our national resistance forces' pressure on the provincial town from the west, north, and east.

3. These good results of our national resistance forces on the Kampot battlefield in their offensives in the three districts of Chhuk, Kampot, Kompong Trach and in Dang Tong sub-province, stem from two main reasons.

1. Commanders and combatants have further understood the workings of guerrilla warfare and people's war to launch military and political offensives at the same time. This results in the people's better understanding of the military and political struggle against the Vietnamese enemy and Vietnam's puppets. In particular, the people have realized the political weapons they can fully use through the "three dont's and three builds", the three types of weapons, the socioeconomic life, and in both building and destroying.

2. Through such an understanding of guerrilla war and the people's war, both the army and people have launched offensives mostly in villages aimed at dismantling the state authorities of the Vietnamese enemy and Vietnam's puppets because these are the weakest points of the Vietnamese enemy and the strongest point of our people.

This is the best experience in fighting the Vietnamese enemy and Vietnam's puppets through military and political weapons by using the powerful combined forces of the army and people, aimed particularly at striking at the weak point of the Vietnamese enemy and Vietnam's puppets in villages and along small communications lines of the Vietnamese enemy.

In fact, the Kampot battlefield is not an easy one for transporting ammunition but our national resistance forces and people have scored such good results. This is because they have further understood the way to fight a guerrila war and people's war in which military and political offensives are launched to destroy the enemy and build our forces with the use of the "three dont's and three builds" slogan, the three types of weapons, and all the other old and new slogans.

UN Peace Plan Viewed, Solutions Suggested

BK1303053991 Bangkok THE NATION in English 13 Mar 91 p A8

[Article by Michael Haas, political science professor at University of Hawaii, Monao: "Who Will Govern Cambodia Next?"]

[Text] Cambodia, back-burnered during the Iraq-Kuwait War, is still the main problem in the normalization of international relations within Southeast Asia. Although more Cambodians may have died in combat while a coalition of countries forced Saddam Husayn to retreat, recent developments throw a pall over the peace process.

Pol Pot is stymied because any notable victory would bring the wrath of Western countries. Concentrating efforts on gaining political support in the countryside, the Khmer Rouge has cleverly turned Prince Norodom Sihanouk from a sideshow actor into a discredited front man whose internal charisma and external credibility have run out. There is no clear saviour of the country any more.

Pol Pot has also gained political capital from gratuitous comments on Cambodia from Hanoi, intended to bolster the domestic reputation of various contenders in the power struggle leading up to the forthcoming Vietnamese Communist Party Congress. Having trained a Cambodian army to defend Phnom Penh against the Khmer Rouge in its absence, Hanoi wants to stay out of the Cambodian quagmire so that it can proceed with economic reforms. Having lost more levers of power over the State of Cambodia, it paradoxically receives pressure to exert an influence over Phnom Penh that no one wants it to have in the first place.

The State of Cambodia (SOC) lost a chance to legitimate its role as the only sensible faction last year, when various humble officials were placed under house arrest for organizing a new political party in anticipation of UN-sponsored elections. SOC armed forces now appear to rely on quiet if firm military support from a Soviet Union in which the military and party hardliners increasingly dictate policy to Mikhail Gorbachev.

China continues to leak information about movements of warehoused arms to aid the Khmer Rouge so that the region will remain embroiled, thereby serving to maximize its role in Southeast Asia. Beijing does not want to lose its ties in the region and thus cannot let go.

The United States, after trying to prove that it could buy an election, Nicaragua-style, by pouring money into road-building in enclaves of Cambodia controlled by the non-communist resistance, is on the verge of a total cutoff in such aid because it inevitably leaks to the Khmer Rouge. Washingon's effort to penalize Cambodians by continuing to fight a war against Vietnam has become anachronistic.

With the military option continuing, what about the UN plan?

After less than a year of meetings of the five permanent members of the UN Security Council, we have a document that fully translates Australian Foreign Minister Gareth Evans' plan to have the UN run Cambodia. Although the resistance has accepted the document, which gives them legitimacy while fighting a Phnom Penh that is no longer supported by the army of Vietnam, there are several important omissions and problems:

(1). Human rights. The outline of the UN plan accepted in midsummer 1990 stipulated that the new Cambodian government should observe human rights obligations, thereby implying that the Khmer Rouge could be put on trial for war crimes. This provision, dropped later in 1990, should be restored and clarified. If war crimes trials are good enough for Saddam Husayn, they are an excellent idea for Pol Pot and company.

(2). Time lines. The UN plan sets up a military working group; this body should remain for a renewable two-year term to report to the Security Council on ceasefire violations. The UN Transitional Authority for Cambodia (UNTAC) should not leave Cambodia immediately after elections; it should pack up only when a stable government is in place. In the event of a shaky coalition, resulting from imperfect elections in provinces controlled by various factions, UNTAC can mediate and report on human rights violations. The body to be set up to provide development aid should operate for a term of at least 10 years.

(3). Supreme National Council (SNC). Since the UN Special Representative, who will head UNTAC, has the final say in the transition, this person will be de facto head of the Supreme National Council. There is no need to debate which Cambodian should chair the SNC. The UN Special Representative will be governor and ruler of the SNC.

(4). UN Secretariat. Since the UN Special Representative will have the power to dismantle all four Cambodian regimes, the UN Secretariat should prepare implementing regulations for each aspect of the agreement so that the four parties can determine in advance how much power will be surrendered to UNTAC in specific terms.

(5). Nondiscriminatory aid. Humanitarian aid will be needed to set up the infrastructure for UNTAC. The UN should coordinate all such outside aid so that it will not be used to sway votes in advance of an election. No aid should be given to any part of Cambodia unless it goes to all. Any party that refuses this aid agreement should be removed from the SNC and future elections.

(6). Election neutrality. There should be limits on spending, equal time provisions for advertising and debates, and UNTAC personnel should be barred from participating in the elections. To establish a principle of fair-mindedness for a new Cambodia, members of the SNC should recognize that they have a conflict of interest if they first draw up an election system, then serve as candidates. SNC members should declare themselves ineligible for office, thereby committed to the future of the country rather than to feathering their own nests, a practice that brought Cambodia to ruin in times past. They should declare in advance that their factions will accept the results of the election.

(8). Security. A provision is needed to handle violations of the agreement. The Cambodian people should be promised that they will not be disarmed without having the right to rearm or receive outside assistance in the event of renewed Khmer Rouge terrorism.

(9). Ending the transition. The transition should be as short as possible, determined by the time required to set up an UN framework to monitor elections, rather than a period that favours one faction over another. If no party achieves a majority in elections to the constituent assembly, as expected, parliamentary delegates will doubtless refuse to agree on anything in the constituent assembly. This would leave UNTAC in charge indefinitely. After six months, UNTAC should have the authority to dissolve the constituent assembly, dismiss the SNC, and return the governance of the country to the State of Cambodia.

(10). Confidence-building measures. The UN plan relies on mutual trust, knowing that the Cambodian factions do not trust each other. After the UN plan has been signed by the four factions, with the SNC conferring sovereignty upon UNTAC [as published]. During this interval the four parties should cease fire, stop mutually derogatory propaganda in the various media, and receive UN- coordinated humanitarian assistance. Any faction failing to abide by these measures would then be expelled from the SNC by the UN Special Representative.

(11). Cost. The UN plan fails to indicate who will pay for the cost of its largest peacetime operation ever. Pledges of aid should begin now.

(12). Staff. Who will staff UNTAC? Quixotic Sihanoukist expatriates from France will create more problems. Khmer translators from Australia, Canada, France, and the United States should be carefully screened as if they were members of a jury.

These are some of the details that remain to be developed. Time is on the side of the Khmer Rouge, which can argue that Phnom Penh is dithering on the subject of peace. The battle is political at this point more than military.

Food Shortage in Kompong Speu Province Predicted

BK1303045991 Phnom Penh SPK in English
0409 GMT 13 Mar 91

[Text] Phnom Penh SPK March 13—Kompong Speu, a province about 50 km from Phnom Penh to the west, would face a shortage of up to 84,000 [metric] tons of paddy this year, according to the local agricultural service. In the 1990 monsoon rice season, the province managed to cultivate only half of its area of 85,000 ha [hectares] with a total output of only 39,000 tons of rice. The figure showed a decrease of 68,000 tons as compared with last year.

To make up for the shortage, the local authorities have encouraged the peasants to grow 1,500 ha of dry-season rice and 500 ha of secondary food crops.

Arms Cache Found in Kompong Speu Province

BK1403072091 Phnom Penh SPK in English
0443 GMT 14 Mar 91

[Text] Phnom Penh SPK March 14—An enemy arms cache comprising 14 assorted guns, has been discovered in the district of Phnom Sruoch, Kompong Speu Province, 50 km west of Phnom Penh.

The place of the arms cache was make known to the authorities by Khan Khum, 21, who had deserted the enemy ranks and reported himself to the local authorities in February. The discovered armaments included five anti-tank B-40 rocket launchers, six AK-47 rifles and a number of mortar rounds.

Khan Khum was rewarded and helped by the authorities to start a new life with his family.

Chea Sim Receives Japan Buddhist Delegation

BK1403063491 Phnom Penh SPK in English
0448 GMT 14 Mar 91

[Text] Phnom Penh SPK March 14—Chea Sim, politburo member of the People's Revolutionary Party of Kampuchea Central Committee and chairman of both the National Assembly and the National Council of the United Front for Defence and Construction of the Kampuchean Fatherland, received in Phnom Penh Monday a Japanese delegation of Asian Buddhist Center for Peace (A.B.C.P.) headed by its president Venerable Kyoto Kunakano, on a vist to Cambodia.

On this occasion, Chairman Chea Sim welcomed the Japanese delegation's visit to Cambodia as a contribution to promoting the relations between the A.B.C.P. of Japan and the A.B.C.P. of Cambodia as well as the cooperation between followers of different religions in Cambodia.

After briefing his guests about the tragic crimes committed by the genocidal Pol Pot regime against the Cambodian people during its reign in Cambodia, including the maltreatment of Cambodian Buddhist monks, Chairman Chea Sim brought out the Cambodian party and government's policy to restore Buddhism and other religions in Cambodia. He said the State of Cambodia is devoted to the search for an early political solution to the Cambodian problem to put an end to the Cambodian people's bloodshed and sufferings.

He expressed thanks to the A.B.C.P. of Japan for its aid of 10,000 U.S. dollars for the restoration of temples and monasteries destroyed by the Polpotists during their rule.

In reply, Venerable Kyoto Kunakano expressed his joy at the rapid growth of the State of Cambodia and its achievements especially in culture and religions. He highly appreciated the efforts of the party and government in the search for a political settlement of the Cambodian problem and expressed his support for Cambodia's just struggle against the return to power of the genocidal Pol Pot clique.

The delegation left Phnom Penh Tuesday after a week-long visit to Cambodia. While here, the delegation attended a mass meeting in support of the stance of the National Assembly of the State of Cambodia and met with Hok Langdi, Phnom Penh mayor. It visited the former royal palace, the national museum, the Tuol Sleng museum of Pol Pot genocide and the Angkor Wat temple in Siem Reap-Oddar Meanchey Province.

Indonesia

Suharto Hails OPEC Agreement To Reduce Output

BK1303130991 Jakarta Domestic Service in Indonesian 1200 GMT 13 Mar 91

[Text] President Suharto has hailed an agreement reached at the OPEC meeting in Geneva yesterday. Minister and State Secretary Murdiono said this in reply to questions by reporters after calling on President Suharto at Merdeka Palace, Jakarta this afternoon. According to the minister, President Suharto hoped that the agreement would lead to fair and stable oil prices as oil has an important influence on the national economy.

OPEC agreed to reduce its oil production by 1 million barrels per day in an effort to increase crude oil prices. According to OPEC Secretary General Subroto, a production ceiling of 22.3 million barrels per day will be effective from April to June.

Mission To Explore Mideast Trade Opportunities

BK1403120191 Jakarta ANTARA in English 1011 GMT 14 Mar 91

[Text] Jakarta, Mar 14 (OANA/ANTARA)—The Middle East Committee of the Indonesian Chamber of Commerce and Industry (Kadin) would soon send a mission to several Middle East countries to explore the possibility of enhancing trade relations between Indonesia and that countries, particularly after the Gulf war, it disclosed here Thursday.

Sudrajat D.P., the committee's Vice Chairman, said that the 15- member mission led by Eddy Kowara would visit Saudi Arabia, Jordan, Egypt, the United Arab Emirates and others. According to Sudrajat, Indonesia has a bright prospect to export non-oil commodities to the Middle East, particularly to Kuwait, Saudi Arabia and Iraq as that countries needed much building materials for the rehabilitation of various facilities and infrastructures destroyed during the war. He admitted that although the reconstruction of several Kuwaiti and Saudi cities destroyed during the war would be carried out by American, British and French companies, Indonesian companies were expected to be their sub-contractors. In addition, he went on, Indonesia can also export cement, concrete, iron, wood products and other consumer goods.

A recent report said that the Kuwaiti Government has earmarked a fund of about [words indistinct] trillion rupiahs for the rehabilitation of several cities. If Indonesian companies are able to grab 5.0 percent of the figure, it would be encouraging, he said.

The Indonesian commodities much needed by several Middle Eastern countries are plywood, building materials, papers, tyres, car batteries, foot wears, iron sheet, foods and flat glass. Other commodities which are much needed in Kuwait include electronic goods like radio and tv sets, fans, and air-conditioning units.

The country's export value to Kuwait in the last three years tended to increase. Data from the Central Bureaa of Statistics show that in 1988 Indonesia's export to Kuwait was recorded at 34.29 million U.S. dollars. The figure increased to 40.81 million U.S. dollars in 1989, while during the first seven months of 1990 the country's export to the war-torn Kuwait was valued at only 30.79 million dollars.

The sending of the Kadin's mission to the Middle East, he said, is still waiting confirmation from the Saudi Government. However, Kadin has been ready and it is expected that the mission will leave here for Saudi by the end of this month, Sudrajat said.

Concerning trade relations with Iraq, he said that Kadin was still waiting directives from the government since the trade relations between Jakarta and Baghdad were done on counter purchase basis.

PRC Agrees To Launch Communications Satellite

BK1203130191 Jakarta Domestic Service in Indonesian 1200 GMT 12 Mar 91

[Text] China has accepted Indonesia's offer to have the Palapa B-4 satellite launched by a Long March rocket. Susilo Sudarman, minister of tourism, post, and telecommunications, disclosed this to reporters in Jakarta today after meeting Lin Zongtang, China's minister of aeronautics and astronautics. He said that China had accepted the procedures outlined in an agreement on launching the satellite with the Chinese rocket, which had been put forward by Indonesia, although the launching fee had yet to be discussed. The agreement covers the 25-percent payment of a contract, an export license from the United States, and China's pledge not to resell to third countries commodities it will import from Indonesia as part of a countertrade arrangement.

According to Susilo Sudarman, China expects Indonesia, in this case the State Telecommunications Corporation, to hold negotiations with the United States to get an export license from the U.S. Government. The Palapa B-4 communications satellite costing U.S. $53 million is manufactured by Hughes, a U.S. company. The United States has stated that every satellite manufactured by a U.S. company must be launched by the United States.

Bank Chief Discusses Curbing Monetary Speculation

BK1303124291 Jakarta THE JAKARTA POST in English 7 Mar 91 p 1

[Text] Jakarta (JP)—Bank Indonesia absorbed about U.S. $520 million in foreign exchange within only a few days after the government's move last week to take a large sum of money out of the banking system, Central Bank Governor Adrianus Mooy said here yesterday.

"An equivalent of Rp [rupiahs] 1 trillion ($520 million) in foreign exchange was converted into rupiah under spot and swap (forward cover against conversion fluctuations) transactions in the first few days after the announcement on Feb. 27 of the government's move to contract the money supply," he told reporters after a limited cabinet meeting on economy at Bina Graha here.

Mooy and Minister of Finance J.B. Sumarlin announced last Wednesday that the government had ordered 12 state firms to transfer Rp 8.1 trillion of their funds deposited in state-owned and private banks to the central bank.

Mooy, who was accompanied by Information Minister Harmoko, explained yesterday that the Rp 8.1 trillion funds were now deposited in the form of Bank Indonesia Certificates (SBI) with a maturity of 12 months.

This move, he said, was expected to effectively help reduce foreign exchange speculation, which had increased over the last two months, curb inflationary pressures and control liquidity conditions.

Foreign exchange purchases, mostly caused by speculation, reached about $700 to 800 million in the first two months of this year, he said.

He said that inflation, which rose only 0.3 percent last month, was a good sign of the cooling down of the economy but the consumer price index (of 9.08 percent) during the first 11 months of this fiscal year was still very high.

Last month's 0.3 percent rise in consumer prices, which brought the inflation to 1.06 percent during the first two months of this year, according to Harmoko, was caused by an increase of 0.28 percent in food prices, 0.19 percent in housing prices and 0.56 percent in service costs and by a 0.28 percent decline in clothing prices.

Mooy said the withdrawal of the state companies' funds from commercial banks to Bank Indonesia would make it easier for the government to adjust the level of money in circulation to demand.

"The money supply increased much faster than the growth of (goods and service) production in the country over the last two years," he said.

The gross domestic products (GDP), for example, expanded only by about 15 percent over the past two years but the money supply increased by 63.8 percent from Rp 14.4 trillion as of the end of 1988 to Rp 23.6 trillion as of last December, he said.

Spending for the implementation of investment projects also increased only by about 30 percent over the last two years but banking loans more than doubled from Rp 44 trillion as of the end of 1988 to Rp 96 trillion as of the end of last year, he said.

Funds generated by banks also increased by 116 percent from Rp 37.5 trilion to Rp 81 trillion over the same period, he added.

"These figures indicate that there is a large amount of money which is not used for activities in real (economic) sectors," he said. "The money has apparently been used for speculation."

Mooy said the figures also indicated that low interest rates in 1989 did not encourage money owners to establish new investment projects.

He said the government was trying to help balance the money supply and production of goods and services.

"Since production of goods and services cannot be increased drastically, the money supply should be controlled," he said.

The governor said the transfer of state companies' funds from commercial banks to Bank Indonesia would not affect their profitability because the central bank offered high interest rates on SBIs.

The banks, from which the state companies' deposits had been withdrawn, also should not necessarily face liquidity problems because Bank Indonesia was willing to provide funds of up to Rp 6 trillion for the purchase of their money market securities (SBPU) if they needed, he said.

Bank Indonesia would also provide funds of up to Rp 1 trillion for the purchase of the SBPUs of other banks or companies affected by the withdrawal of the state companies' deposits, he said.

Mooy commented that the recent increases in banking deposit rates were a normal adjustment measure taken by banks to overcome problems caused by the withdrawal of the state companies' deposits.

"We hope interest rate increases will encourage people to save their money in rupiah, so that demand for goods will decline and inflationary pressures will ease," he said.

Meanwhile, Harmoko said that Indonesia's exports last year increased by 16 percent to $25,693.2 million in value over the previous year and its imports by 33.5 percent to $21,846.6 million.

The country, therefore, enjoyed a trade surplus of $3,846.6 million last year, he said.

Non-oil exports, he said, last increased by 8.3 percent to $14,601.1 million from 1989.

Harmoko said that Indonesia enjoyed a trade surplus of $326.4 million in December from its exports worth $2.668.4 million and imports worth $2.342 million.

Laos

Units on Thai Border Instructed To Withdraw

BK1403005391 Vientiane Domestic Service in Lao 0000 GMT 14 Mar 91

[Text] Today, 14 March 1991, General Sisavat Keobounphan, chief of the General Staff of the Lao People's Army [LPA], issued an order to all units of regular and regional armed forces which are carrying out duties along the Lao-Thai border in Sayaboury Province to withdraw to their former positions.

The order says: With reference to a bilateral agreement signed between General Sunthon Khongsomphong, former supreme commander of the Armed Forces [title as heard] of the Kingdom of Thailand, and Gen Sisavat Keobounphan, chief of the General Staff of the LPA, in Bangkok on 17 August 1990 and the 11-12 March 1991 meeting between General Suchinda Khraprayun, deputy chairman of the National Peacekeeping Council of Thailand, and Gen Sisavat Keobounphan, chief of the General Staff of the LPA, in Vientiane and to allow the two countries—Laos and Thailand—to genuinely enjoy peace, friendship, and peaceful coexistence, the chief of the LPA General Staff issues this order instructing all units of the regular and regional armed forces operating along the Lao-Thai border in Ban Romklao village [in Thailand] and the three villages in Sayaboury Province to withdraw to their former positions located in areas before the [Lao-Thai border] incident took place. The withdrawal—which is to begin on 13 March and to be completed on 19 March 1991—is aimed at creating conditions for attaining peace along the entire border with Thailand.

This order is effective on the day it is affixed with the signature [of the chief of the LPA General Staff]. All units of the regular and regional armed forces concerned are hereby instructed to correctly implement this order.

More Details of Suchinda's Visit Cited

BK1403093191 Vientiane Domestic Service in Lao 0430 GMT 14 Mar 91

[Text] At the invitation of General Sisavat Keobounphan, chief of the General Staff of the Lao People's Army [LPA], the military delegation of the Kingdom of Thailand led by General Suchinda Khraprayun, army commander in chief and deputy chairman of the National Peacekeeping Council [NPKC], visited the Lao People's Democratic Republic [LPDR] on 11 and 12 March.

During the visit, LPA General Staff Chief Gen. Sisavat Keobounphan held consultations with the Thai Army Commander in Chief and NPKC Deputy Chairman of the Kingdom of Thailand Gen. Suchinda Khraprayun, to exchange views on various issues concerning the brotherly relations between the two countries. The talks were crowned with satisfactory success.

The two sides reached unanimity in resolving many problems. For example, they agreed to turn the border between the two countries into one of peace and friendship and to withdraw troops from these areas within one week. These are namely the disputed border areas between Laos' Boten District and Thailand's Phitsanulok Province and between the three villages in Paklai District of Sayaboury Province [and Ban Rom Klao village of Thailand], thereby turning them into demilitarized zones.

With regard to armed Lao exiles, the two sides agreed to instruct the local administration and peoples in their respective countries to cooperate in disarming, arresting, and handing them over to the administration. With regard to the issue of Lao refugees, the two sides agreed to work together through the UN High Commissioner for Refugees to acquire funds to ensure their repatriation and guarantee their livelihood during the early stages of their return. The two sides also agreed to consult each other in resolving transport problems.

In connection with the tax on Lao agricultural products passing through Thailand, the two sides agreed to study and consult each other to resolve this problem. The last issue the two sides agreed on was the dissolution of the Lao-Thai Cooperation Committee, so that it could be replaced by a Lao-Thai Coordination Committee for smoother mutual cooperation and relations.

During his visit, Gen. Suchinda Khraprayun also paid courtesy calls on Kaysone Phomvihan, chairman of the Council of Ministers of the LPDR, and on General Khamtai Siphandon, national defense minister and commander in chief of the LPA. The conversations between the hosts and the guest at the separate meetings proceeded in a good atmosphere of mutual understanding on the basis of time-honored brotherly relations of friendship.

Gen. Suchinda Khraprayun and his entourage also visited Luang Prabang Province and returned home safely on the afternoon of 12 March.

The success of the visit to Laos by the Thai military delegation opened a new era of brotherly friendship relations between Laos and Thailand. It conforms to the aspirations of the Lao and Thai peoples in desiring to settle all disputes through peaceful means so as to allow the neighborly relations between the two countries to last and grow forever.

Party Leadership in Guiding Revolution Hailed

BK1303142791 Vientiane Domestic Service in Lao 0500 GMT 12 Mar 91

["Feature": "The Party Plays the Leading Role in All Stages of the Lao Revolution"]

[Text] The lack of clear understanding of the actual roles of the party has led many people to wrongly appraise the party or even slander the party and attempt to impair its prestige. In the Lao People's Democratic Republic [LPDR], there have been different attitudes toward the party. Some people believe that the one-party leadership has led to bureaucratic centralism and limitation of the people's democratic rights. Many even attribute slow economic development and poverty to the inefficiency of the party leadership.

Such attitudes are very unreasonable. Marxism-Leninism stipulates that the party is the vanguard of the working class, the supreme organization of the working class, and the center of unity and solidarity among the people. In the new era, the party is the leading core of the popular democratic system and politics of the entire society. Due to its important roles, the party is the indispensable political organization. We have learned from our past experiences that the leadership of the Lao People's Revolutionary Party [LPRP] is the key factor guaranteeing the victory of the Lao revolution. This assumption has been proved by much concrete evidence such as the armed resurrection by the people under the leadership of Ong Keo and Ong Kommadam in the southern region, which dragged on for 36 years from 1901 to 1937; the armed struggle under the leadership of Pho Kadouat in 1901 and 1902; the uprising by the Hmong tribe under the leadership of Chaofa Patchai in the northern region during the period from 1918 to 1922; and the other victorious struggles against the French colonialists. Despite the difficulties posed by circumstances and the historical backgrounds of our country and the world situation in those days, our party managed to lead all the struggles from one victory to newer and greater victories until the final victory of the Lao revolution was won.

During the difficult and protracted struggle of the Lao multi-ethnic people against every form of foreign interference for national independence and defense, the LPRP, acting as the political leader, has laid down the correct lines and policies to direct revolutionary movements and activate the spirit of patriotism and revolutionary consciousness, and has used Marxism-Leninism as a beacon to illuminate the path of the Lao revolution.

Apart from that, the party is also the organizer and leader of the revolutionary forces and the masses' struggles. Party members have been well-educated and trained and possess high competence and revolutionary spirit. They are capable of fulfilling their assignments and enhancing the roles of the LPRP, their vanguard in the process of national defense and construction. As the supreme organization, the party has become the leading core of the entire organizing system of the popular democratic state, united all organizations, and laid down the lines and policy and guidance for all movements of the masses so as to ensure progress and expansion in all spheres of work. It is necessary for the party to create unity among the people to fulfill its sole objective of liberating the country and working people. The party must unite the entire people so they can act with uniformity of action and thinking. For this reason, the party must always maintain close relations with the people. The more it can win the confidence of the people, the stronger it will be. The great victories we won in the past can be attributed to the success of our party in uniting the people and creating natonal unity, which enable us to overcome any difficulties.

During the period of political and economic restructuring, our party has adopted the correct and clear-sighted policies of abolishing the bureaucratically centralized and state financing mechanism, promoting popular democracy, boosting production, and broadening economic relations with foreign countries so as to futher strengthen political and socioeconomic foundations in the LPDR. It is now clear that the party leadership is the indispensable foundation for all stages of the revolution and crucial to the victory of the revolution.

Phoun Sipaseut Receives World Bank Executive

BK1303131291 Vientiane KPL in English 0927 GMT 13 Mar 91

[Text] Vientiane, March 13 (KPL)—Mr. Phoun Sipaseut, Lao vice-chairman of the Ministers Council, minister of foreign affairs, on March 12 received Mr. Wibun Onsanunta, executive director of the World Bank.

Mr. Wibun Onsanunta of Thai nationality is responsible for Fiji, Indonesia, Malaysia, Myanmar [Burma], Nepal, Laos, Singapore, Thailand, Tonga, and Vietnam at the Administrative Council of the World Bank.

The talk between the foreign minister and his guest passed in good atmosphere. The sides highly valued the cooperation between Laos and the World Bank and believed that the cooperation would be extended for Lao economic development.

Philippines

MALAYA Views Manglapus Role in Bases Issue

HK1403094491 Quezon City MALAYA in English 14 Mar 91 p 4

[Editorial: "Raul Presses His Luck"]

[Text] Foreign Secretary Raul S. Manglapus should quit while he's ahead.

There is now a good chance that the Senate may ratify a new treaty for the continued use by the United States of local military bases after expiration of the current agreement.

Four years ago, when the new Constitution was being drafted, the odds were very long that the U.S. would be able to stay a day more than allowed in the MBA [Military Bases Agreement]. The temper of the times then called for the kicking out of the Americans. Over the years, pragmatism has won over idealism. That the country needs all the dollars it can get to be able to pull through the current economic crisis has made people realize the damage a precipitate withdrawal of the Americans could cause.

Negotiations between the U.S. and the Philippines for a new treaty is for all practical purposes over and done with. The U.S. may not feel comfortable with a seven-year phaseout, but surely it can live with the arrangement. Seven years is seven years. That's immeasurably better than getting the ejection notice this year.

In the other remaining unresolved issue, that of compensation, the Philippines has already made clear the $825-million yearly rental it is seeking is open to compromise. The buzzword is "creative packaging," and at the rate credit, trade and investments dollars are being included in the package, it would not be surprising if the final figure topped the $1-billion mark.

But the U.S. and Manglapus are not by any means out of the woods yet. Any agreement has to be ratified by the Senate. And at this point where the relative strength between the pro and anti-bases forces in the Senate is up in the air, Manglapus is not helping his case any by antagonizing the pro-base senators.

Take this case of his proposal that the treaty carry a provision that the Philippines may unilaterally extend U.S. access after the seven-year phaseout period. A number of senators have assailed the proposal because they believe it would open the way for continued U.S. presence of indefinite duration. What, for example, would prevent the next administration from declaring unilaterally that the Americans can stay till the 22nd century? None. And the senators rightly refuse to carry upon their conscience the burden of an open- ended treaty that may be passed on to the next generation.

These are legitimate questions that Manglapus shoud not dismiss flippantly. Asked why the Philippines is opening the possibility of a treaty extension while all along it was insisting that U.S. bases be out in seven years, Manglapus said, "If it will make them (the Americans) happy, why not? They are our friends. We don't want to make them unhappy. That's not our objective."

If all the Philippines wants is to insure the happines off the Americans, why doesn't Manglapus agree to a 99-year treaty?

As foreign secretary, Manglapus's job is to represent the national interst in all dealings with foreign countries. He is not being paid to be cute like Aiza Sequerra.

This is not the first time Manglapus has resorted to abominable levity. He once advised Filipinas in Kuwait who faced the very real threat of being raped by the invading Iraqis to "relax and ejoy it." This time, after being miserably whipped by his American counterparts in the bases negotiations, he is trying to divert people's attention from his proven inadequacies with his trademark pertness.

Manglapus' antics are no different from a juvenile's giggling to cover up an embarrassment. There is a malady, we believe, that gives rise to such reflexive subconcious efforts to hide one's failings. But that we leave to Manglapus and his shrink.

Ramos, 4 Other Cabinet Members To Join LDP

HK1303111491 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 13 Mar 91

[By Restie de Quiros of Mobile Unit No. 8]

[Text] Five cabinet members of President Aquino will be formally sworn in as party members of the Struggle of Filipino Democrats [LDP] at the annual regional convention of the LDP national capital region on 27 April. This was disclosed today by Congresswoman Tessie Aquino Oreta, sister-in-law of President Aquino and chairman of the LDP membership committee.

Oreta identified the five cabinet members as follows: Defense Secretary Fidel Ramos, Justice Secretary Franklin Drilon, Environment and Natural Resources Secretary Fulgencio Factoran, Jr, Press Secretary Tomas Gomez III, and Labor Secretary Ruben Torres.

Although they have not yet forwarded their application forms, they have sent signals that they are interested in joining the party, according to Oreta.

She said that in a meeting held the other night at Cojuangco Building, Makati, it was resolved that a regional convention will be held in a bigger venue like the Araneta Coliseum.

The membership of Ramos with the LDP, if ever, is expected to threaten the ambition of Speaker Ramon Mitra, Jr to obtain the nomination as the LDP standard bearer for the 1992 presidential poll. Speaker Ramon Mitra announced however, that should Secretary Ramos be chosen as the LDP standard bearer, he will still continue to run for president.

[Begin Mitra recording] You know, I have long been here in politics and I have already acquired fixed habits. I do not think I can be a good vice president of anyone. So I will just run for president. [end recording]

Santiago Confident of Election as President

HK1403121891 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 14 Mar 91

[Recorded passages taken from Joe Taruc's "Liberty in Action" program on 14 March; italicized passages are in English]

[Text] Former DAR [Department of Agrarian Reform] Secretary Mirriam Defensor Santiago has announced that she is definitely running for president in 1992. According to her, she strongly believes she will be the next president of the country because she consistently tops all surveys being conducted. She even added that all fortunetellers in Asia have predicted that another woman will be the next president of the Philippines.

[Begin Santiago recording] *The question is, are you running for president? And the answer is, yes, yes, yes, yes!* And also, I will not run for vice president nor for senator, contrary to what my rivals are saying. According to the results of our various presidential surveys, I am already number one, because the position of the president is the number one position, number two is vice president, and number three is senator. This is how it is, Joe, our countrymen say I am already number one in the surveys. Then why should I agree to be number three or number two? What are they? Lucky? Everywhere I go, not only in Southeast Asia, even in other countries in all of Asia, the fortunetellers are saying the same thing. *All the fortunetellers and the psychics in Asia, particularly in the ASEAN nations, have one uniform and consistent prediction about the future of this country in 1992. According to the Asian fortunetellers, the next president of the Philippines will be another woman.*[end recording]

Meanwhile, Mrs. Santiago added that she will register next Wednesday to the Commission on Elections her own political party, which is the People's Reformed Party.

[Begin recording] [Santiago] Next Wednesday, I will go to the Commission on Elections and I will bring with me our petition for registration for our new political party, which I promised to register before. The name of our party is People's Reformed Party. And we have already organized in the entire country, which is why I am always out of Metro Manila. And I am glad to say that the response of the people is very positive. The people warmly accept this new concept of a political party.

[Joe Taruc] That means, you will have a complete lineup from the presidency all the way to the lowest councillor?

[Santiago] That is correct, yes. We will have a complete field. [end recording]

Ramos Announces Aviation Development Program

HK1403050991 Manila THE MANILA CHRONICLE in English 14 Mar 91 p 3

[By Manny Mogato and Maning Silva]

[Text] Defense Secretary Fidel V. Ramos yesterday revealed the start of a Philippine aviation development program under which the country will manufacturer jets and turbo-prop trainers for the Philippine Air Force [PAF] and for export to other countries.

In his speech at the Air Power Symposium 91 at the Mandarin Hotel, held in connection with the current Defense 91 International Aviation exhibits at the Villamor Air Base, the defense secretary said the country will soon be making its own airplanes through a joint venture of the Philippine Aerospace Development Corporation and the Agusta Corporation of Italy. Agusta is the supplier of the S-211 jet trainers being used by the PAF.

"We are making avionics one of out entry points into modernization," said Ramos, who discussed the role of air power as a component of national development and security.

He added that the joint venture will initially manufacture utility aircraft and short-transport planes.

"Eventually the project will go into the making of jets and turbo-prop trainers for the modernization of our airforce as well as for export to other developing countries whose needs for military aircraft are similar to our own," he said.

Ramos pointed out that the Philippines used to be the leader in aviation in the Asean region but has been overtaken by its neighbors.

Indonesia, for one, has already attained "significant capability in avoinics and is already producing its own aircraft." Ramos also said that neighboring countries that used to send their planes to the Philippines for maintenance now service Philippine aircraft.

Another speaker, Rep. Vicente Rivera, vice-chairman of the House committee on transportation and communication, said that compared to its Southeast Asian neighbors, the country has retarded to number six in military air power and at the bottom of civilian aviation. He contrasted this with the fact that the Philippines was the leader in the fields of aviation in the '50s, having built the first airline in Asia. Rivera said the government must have the political will to modernize airports and communications system and to formulate a program granting incentives for aviation research and development.

Ramos called for closer cooperation between the government and the private aviation sector and the implementation of a manpower training and development program.

USSR Willing To Lease Military Aircraft

HK1403045991 Manila BUSINESS WORLD in English 14 Mar 91 p 12

[By Ma. Caridad S. Bautista]

[Text] Soviet Deputy Minister for Aviation Industry, Alexander Gerashenko, yesterday said his Government is willing to lease military aircraft to the Philippine Air Force [PAF].

He told BUSINESS WORLD the offer extends to even their most modern military aircraft.

"But," he said," the Philippine Air Force must first evaluate these aircraft."

In case there is such an agreement, the Soviet Union is willing to train Filipinos in handling Soviet aircraft, he said.

When Mr Gerashenko was asked about the security risks of such an agreement, he siad, "it is difficult to get into feelings of individuals."

In the case of Iraq, "Whom we have friendly relations with," he said they never thought Iraqi President Saddam Husayn will use Soviet equipment sold him against his neighbors.

Although there has been no formal contact with President Aquino regarding a possible arrangement for soviet aircraft, Mr Gerashenko said, "We are ready to discuss the issue—if we can find a common language."

Meanwhile, at the ongoing Air Defense '91 symposium, it was stressed by almost all speakers that the Philippine Air Force needs all the help it can get to upgrade its air defense capitality to the level of its neighbors in the Southeast Asian region.

Rep. Vicente C. Rivera, House vice-chairman of the Committee on National Defense, in his speech at the symposium said sooner than later, the Philippines' territorial waters and islands will be lost to its more aggressive neighbors.

Now, he added, the Philippines cannot react accordingly to the "continuous build up of combat troops and display of force by our neighboring countries in the Kalayaan chain of islands."

He said Government must channel more funds to the Air Force Development Program.

Petroleum Products Prices Reduction Deferred

HK1403054791 Manila THE MANILA CHRONICLE in English 14 Mar 91 pp 1, 9

[By staff members Lito Zulueta and Rowena Orejana with Redempto Anda]

[Text] Domestic prices of petroleum products will not be reduced despite a drop of oil prices in the world market.

The government needs the money to replace foregone revenues when the 9 percent import levy is abolished.

Finance Secretary Jesus Estanislao said yesterday the government would defer any rollback in the domestic prices of petroleum products to generate enough revenues for the phasedown of the 9 percent import levy.

The policy was forged during a meeting between president Aquino and congressmen of the Laban ng Demokratikong Pilipino [LDP—Struggle of Philippine Democrats], the majority bloc in the House of Representatives.

"I don't expect that (oil price rollback) until we have fully removed the 9 percent import levy," Estanislao told Palace newsmen after the meeting.

Estanislao said 2 percent of the import levy would be removed once Congress enacts measures to raise some P [pesos] 5 billion for the government. He added the solons had assured Malacanang that the needed bills would be passed soon.

But at the House, Malacanang's plan to remove the 9 percent import levy came under fire when ways and means committee chairman Hernando Perez (Batangas) accused Estanislao of espousing "inconsistent positions."

Perez was objecting to Estanislao's demand for the House to junk three tax incentives bills, including one that seeks to abolish the practice of paying advanced duties for imports, a bill that had alredy been twice certified as urgent by President Aquino.

Perez said that while congressmen agree to the programmed reduction of the import levy, the House's acting on new revenue- generation measures should not be made as a precondition. "To begin with, the levy is illegal, having been imposed without the benefit of a public hearing," he said.

Estanislao's plan would abolish the remaining 7 percent levy largely by allowing the present prices of oil to stay until the government is able to wipe out the deficit in the Oil Prize Stabilization Fund (OPSF).

Rep. Herminio Aquino, chairman of the House energy committee, said his committee will study the proposal to modify the specific taxes on oil products that would allow prices of oil products to go down from the present level. He added, however, that the House is still bent on pushing for an early roliback on oil prices.

Explaining his plan, Estanislao said the President and the LDP congressmen agreed to "take advantage of the peace dividend" by continuing with the current oil price levels not only after the P11- billion deficit of the OPSF had been wiped out but until a "buffer" had been attained.

"In the meantime, there will be some changes so that the revenues, instead of flowing into the huge surplus of the OPSF, will flow into the national treasury," said Estanislao.

Energy officials originally considered an oil price rollback once the OPSF deficit had been eliminated which, government estimates indicated, would be around September.

With the victory of the allied forces in the war against Iraq, the projection was scaled up, making the likelihood of a rollback more probable by July.

However, the objection posed by creditor institutions at the recent consultative group meeting in Hong Kong against the import levy has apparently changed government's projection. Malacanang has adopted a new tack, setting aside the reduction in oil prices for a phasedown of the import surcharge.

According to a memorandum by Estanislao to Mrs Aquino dated March 12, the import levy would be reduced by 2 percent if the following measures are passed: refinements in the value-added tax, modifications in income tax from business and the professions and a substitute measure for the affluent consumption tax such as imposing higher tariff on selected nonessential products.

At the Energy Regulatory Board (ERB), Chairman Rex Tantiongco said the ERB will preserve the current prices of petroleum products until it gets a clear signal from either Malacanang or Congress on their plans for the OPSF.

Tantiongco said the board is still waiting for the directions the government wants to take on the OPSF.

"If the program is to liquidate the deficit and let the OPSF build up to a comfortable level, then there is no way we can reduce the prices before September," he said.

On the other hand, if the government plans to deregulate the industry or at least to follow the market-based pricing scheme, the ERB may be able to effect a rollback as early as June.

Development Authority Approves Six Projects

HK1403051391 Manila BUSINESS WORLD in English 14 Mar 91 pp 1, 5

[By Anthony L. Cuaycong]

[Text] The National Economic and Development Authority [NEDA] Board, in a meeting chaired by President Aquino, yesterday approved six development projects costing an aggregate P4.57 billion [Philippine peso].

Under the Small Barge-Mounted and Land-Based Diesel Project, an amount of P1.62 billion—$58.66 million of which to be foreign-funded—will be allocated for the procurement of 12 small diesel-powered barges of various capacities for use in palawan, mindoro Oriental and Occidental and Catanduanes, among others.

A total of P1.04 billion, on the other hand, will be allotted for the Nationwide Fishing Ports Development Project Package 2 involving the development of port complexes in strategic areas in the Visayas and Mindanao regions.

The project has a foreign cost component of $24.56 million, with the rest to be shouldered locally.

Also among those approved, the Cavite Export Development Project is set to cost some P803.38 million, $20.344 million of which will be sourced from foreign institutions.

The project targets the promotion of regional development as well as the decongestion of Metro Manila.

The other three projects approved are:

—the P427.21 million Baybay-Bato Road Improvement Project connecting the north and south segments of the West and Northwest Leyte roads;

—the P346.01 million Metro Manila Road pavement Rehabilitation Project involving 87 major road networks in the urban center; and

—the P338.94 million Buenavista Balangiga-Lawaan-Basey Road constructing and upgrading the nine-kilometer road linking seven municipalities of Samar Island and Tacloban City.

Apart from the six development projects, the NEDA Board also approved the procurement of a $15-million loan from the World Bank [WB] to cover the cost of Cottage Enterprise Finance project and subsequently spur the growth of cottage industries, particularly in the rural areas.

The coverage of the WB loan, which will be supplemented by appropriations from the German Government, was initially limited by the Board to enterprises with total assets of P1 million or less at 1990 price levels.

Upon the recommendation of the departments of Finance and Trade and Industry and the Development Bank of the Philippines, the Board decided to admit also those with assets worth up to P3 million.

To prevent the crowding-out of smaller cottage enterprises in accessing guarantee funds, safeguards have been instituted by Government at the DTI [Department of Trade and Industry]-established mutual guarantee associations, including limiting the sub-loan size to P1 million and giving equal voting power to each member-enterprise regardless of asset size.

Negotiations for the WB loan were held in Washington last December, where agreements as to the terms, the size of the sub-loans to individual borrowers, and the contents of the legal documents necessary for the relending scheme were reached.

The terms of the loan include a repayment period of 20 years, inclusive of five years grace period at the Bank's pool-based variable rate, currently at about 7

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Labor Council Members Sign Unity Covenant

HK1403053791 Manila THE MANILA CHRONICLE in English 14 Mar 91 p 9

[By staff member Booma Cruz]

[Text] Members of the 1.5 million-strong Labor Advisory and Consultative Council (Lacc) yesterday signed a Covenant for Unity and Code of Ethics to strengthen and chart the course of the Philippine labor movement.

"This is a milestone in the trade-union movement. Finally we can gain the respect Lacc has been searching for. This covenant will guide the movement's direction based on our vision of the future of the labor movement, the economy, the society, and the government," said Vladimir Tupaz, secretary general of the Trade Unions of the Philippines and Allied Services (Tupas), an affiliate of the World Federation of Trade Unions (WFTU).

The covenant, which had been in the works since 1986, is expected to remove "irritants" among Lacc groups, which includes the Kilusang Mayo Uno (KMU) [1 May Movement], Federation of Free Workers (FFW), Lakas Mangagawa Labor Center (LMLC) [Labor's Strength Labor Center] and WFTU affiliates.

Lacc said the pact serves as a promise of undertaking that it expects its members to strictly observe.

Potenciano Flores, KMU legal counsel, said problems within the Lacc would be resolved based on the covenat.

Premised on "unity which transcends political and ideological persuasions," that pact called for a free labor movement, workers' participation in the government and industry decision-making process, an economy "free from foreign control," a foreign-debt policy consistent with national development, genuine and nationalist industrialization, genuine land reform, equitable distribution of wealth and income democratization, respect for himan rights, pluralist political system, emancipation from foreign control and the dismantling of the U.S. bases.

Paterno Menson, Lacc spokesman, said the covenant is Lacc's concrete contribution to nation-building, particularly at a time of "instability." He predicted a stronger and unified Lacc.

The Code of Ethics, on the other hand, defined the relationship among Lacc members. It prohibited intra-union raiding, a major irritant among Lacc members.

"The non-union raiding pact prevents disputes within and outside the organization. This will not only give workers better protection, it will also help our economy grow," said Felicisimo Joson, FFW administrator.

The covenant, however, allows Lacc members to exercise "individual trade-union freedom," a given that does not guarantee "unity" in all of Lacc's undertakings.

Joson said he could not discount the possibility of joining the Trade Union Congress of the Philippines (TUCP), a rival of Lacc, and other trade unions during the Labor Day celebrations because "the covenant of unity should not force trade unions to grapple for their independence."

"We are already preparing for our May 1 celebrations. We are informing the Lacc about it. FFW wants to practice independence and pluralism, provided we are not stepping on other organizations. Celebrations are not meant to disunite," he added.

Last year's May 1 celebrations saw FFW and LMLC joining TUCP's Labor Day program at the Araneta Coliseum with President Aquino as guest of honor.

The KMU and WFTU affiliates held a separate rally at the Quirino Grandstand. The separate May Day celebrations fueled rumors about the possible breakup of the Lacc.

Police Chief Forms Tourist Protection Group

HK1403051591 Manila THE MANILA CHRONICLE in English 14 Mar 91 p 8

[Text] Director General Cesar P. Nazareno, chief of the Philippine National Police [PNP], yesterday ordered the immediate creation of a crack anticrime police force that would protect the country's overseas contract workers and their dependents, incoming tourists and returning residents against criminal elements.

Nazareno said the new PNP unit will be called the Tourist Protection Group [TPG] to be composed of a battalion-size composite force to be drawn out from key PNP units.

He designated senior superintendent Edgar Galvante, former Bulacan provinical director and PNP finance center chief, to head the new unit.

Nazareno said the new unit would be formally activated in Camp Crame on Monday.

"The overseas contract workers are the unsung heroes who help prop up our country's economy and they should be amply protected," Nazareno said.

He said the PNP TPG would initially be composed of three companies, or roughly about 500-600 men, and would be picked out from the PNP Special Force in Camp Crame, the Metropolitan Police Fidel Force and the Capital Regional Command (Capcom).

Nazareno said the activation of the PNP TPG was prompted by reports of continuing harassments of overseas contract workers and their families, foreign tourists and balikbayans, particularly during their arrival or departure at the Ninoy Aquino International Airport.

Nazareno said perpetrators of crimes against tourists and contract workers are "scalawags and misfits in uniform."

He said the victims of the nefarious activities of scalawags and other criminal elements are returning Filipino contract workers who complain of being forced to shell out part of their dollar earnings to the syndicates.

He said the TPG would also receive requests for information and assistance from incoming travellers on the safest way to reach the projected destinations.

He also said the operational nerve center of the new PNP unit would be located at the tactical field headquarters near the parking lot of the Naia.

Nazareno said the TPG would be issued motorcycles and patrol cars to do the rounds of Metro Manila's tourist belt areas on a 24-hour basis.

He also said TPG mobile checkpoints would also be set up in major highway approaches to Metro Manila, like the Maharlika highway in Bulacan, the Muntinlupa-Villamor Air Base entrance and the Cavite coastal road route in Naia.

500,000 Children Displaced by Military Operations

HK1403052391 Manila THE MANILA CHRONICLE in English 14 Mar 91 p 8

[Text] At least half a million Filipino children have been displaced by military operations against communist rebels since 1986, the local representative of a Geneva-based children defense group revealed yesterday.

Lawyer Milabel Cristobal, head of the Philippine section of Defense for Children International (DCI), said that the "half of the 1,010,409 Filipinos uprooted from their homes in the last five years of AFP-NPA [Armed Forces of the Philippines-New People's Army] fighting were children aged 12 years and below."

She based her estimates on the internal refugee figures released recently by the Ecumenical Movement for Justice and Peace, a Church- backed institution providing relief to families displaced by war.

Cristobal said it is the children who suffer most during evacuations "which occurred and are occurring in half of the country's 70 plus provinces."

"Almost all of the deaths recorded due to hunger and epidemics that are prevalent in evacuation centers were that of children," Cristobal revealed.

She cited the case of 319 children of evacuating families who died inside refugee camps after the army's 301st Brigade launched military operations in suspected NPA lairs in five southern Negros towns in early 1989.

Cristobal also pointed to 74 children who recently died in measles outbreak in Marag Valley, Kalinga Apayao, after military officials in the area confiscated the perishable vaccines brought in by a Church-organized mercy mission to the area.

"It is disgusting to note that there are still military officers who bar mercy missions to civilians stranded in military-designated free-fire zones," Cristobal said.

Cristobal also said that the education of the children is interrupted "as schoolbuildings are commandeered by military units as their headquarters leaving the teachers with no choice but to temporarily stop the holding of classes."

The DCI Philippines head called on the government to minimize these incidents by implementing international instruments guaranteeing the protection of women and children in armed conflicts.

She cited a provision in the government-ratified Protocol II of the 1949 Geneva Convention concerning victims of non-international armed conflicts which mandates to care for the welfare of displaced civilians "under satisfactory conditions of shelterm, hygiene, health, safety and nutriion."

Communists Said Seeking Aid in U.S., Canada

HK1403050791 Manila MANILA BULLETIN in English 14 Mar 91 p 8

[By Marcia C. Rodriguez]

[Text] Leaders of the Communist Party of the Philippines (CPP) are reinvigorating the movement by seeking support from non-government organizations (NGOs) in U.S. and Canada latest intelligence reports said.

In an interview in Malacanang before he attended a meeting of the Cabinet Cluster E on security and political matters, national Security Adviser Rafael Ileto said the CP is shifting its alliances from European countries to the U.S. and Canada in view of the fall of communism in some European nations.

International events such as the rise of democracies in Western Europe [As published] and the upheaval in the Soviet Union have greatly diminished the communist movement in the country.

"it is not as strong as before," Ileto said, confident that the communists will not be a security problem in the coming elections in 1992.

The move of the CPP to seek assistance from north American countries was believed to be due to the loss of support of exiled communist leader Jose Ma. Sison in Netherlands for his alleged involvement in dollar counterfeiting and other illicit activities. Sison is reportedly seeking asylum in North Korea.

Sison set up a base of the CPP-New People's Army-National Democratic Front in Utrecht, Holland after arriving in that country soon after he was granted amnesty by President Aquino.

In another development, peace advocates from the private sector have reportedly presented the Cluster E a peace formula between the government and parties in conflict.

The government and peace advocates are said to be working on the formulation of a peace agenda, studying the possibility of holding discreet bilateral talks or formal talks, and finding substantial resolution to issues such as the U.S. military presence in the country.

A proposal to hold talks outside the country between government representatives and parties in conflict was raised. No decision has been made.

The government and peace advocates have been holding a series of talks since last year in an effort to end the conflict.

Seven NPA Rebels Killed in Leyte Clash

HK0803151991 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 8 Mar 91

[By Restie de Quiros of Mobile Unit No. 8]

[Text] Seven communist rebels were killed while six others were injured in a one-hour encounter with joint elements of the 366th Philippine National Police [PNP] Company and 19th CAFGU [Citizen's Armed Forces Geographical Unit] Active Auxiliary Subcompany yesterday morning.

According to a report which reached the office of PNP Director General Cesar Nazareno from Leyte PNP Command, the victims have not been identified yet. It was also reported that there were no casualties on the government side.

The incident occurred around 0900 in Sitio San Vicente, Barangay Quilim, Baybay, Leyte. It was also known that the government troops, led by Technical Sergeant Carlos Cala and C1C [Constable First Class] Carlito Morgeda were undertaking combat patrol when they encountered around 30 armed rebels. The rebels immediately fled toward the south after one hour of exchange of fire.

The government troops were able to seize from the rebels various weapons, other implements, personal items and piles of subversive documents. The joint PNP-CAFGU elements are still pursuing the fleeing rebels.

20 Communist Rebels Surrender in Kalinga-Apayao

HK1403052791 Quezon City Radyo ng Bayan in Tagalog 0500 GMT 14 Mar 91

[Text] Twenty communist rebels operating in Kalinga-Apayao have surrendered to the Philippine National Police [PNP]. Provincial PNP chief Lieutenant Colonel Juan Abuan Jr. said Mayor Batara Lawat of Pudtol, Kalinga-Apayao facilitated the surrender. This rebel group is so far the biggest registered. The returning rebels are receiving rehabilitation services from the Department of Social Services and Development.

Police Report on NPA Surrender in Benguet

HK0903035091 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 8 Mar 91

[Text] Twelve regular members of the New People's Army [NPA] and 24 of its supporters surrendered to Philippine National Police [PNP] authorities in Tabuk, Camp Dangwa, Benguet.

One of those who surrendered gave up his M-16 rifle. It was reported that the mass surrender was a result of Operation Brotherhood of the PNP Kalinga Apayao provincial command.

Thailand

Official To Ask U.S. for Drug Cases Evidence

BK1403042791 Bangkok BANGKOK POST in English 14 Mar 91 p 3

[Text] Anti-Narcotics Chief Chawalit Yotmani says he will ask the United States to provide evidence to back legal action against politicians and officials believed to be involved in drug trafficking.

Pol Maj-Gen [Police Major General] Chawalit was responding to the US State Department's annual International Narcotics Strategy Report [INSR] to Congress, containing the US administration's assessment of the Thai Government's role in narcotics suppression.

The Bush administration has approved antinarcotics aid to Thailand, along with Hong Kong, Laos and Malaysia, in return for full cooperation with the US in fighting narcotics trafficking, production and money laundering.

Pol Maj-Gen Chawalit, who is secretary-general of the Office of the Narcotics Control Board [ONCB], insists Thailand fully cooperates with the US in this matter and that the Thai Government is ready to take action if the US can provide it with sufficient evidence. He said Thailand has discused with Laos and Burma ways to help stop the narcotics flow into Thailand.

"As for allegations that Thai military and government officials were involved in narcotics trafficking, I will have to ask the US ambassador if the US has substantive evidence. I cannot comment further on the allegation because our country stands to be damaged if there is no evidence to support this," Pol Maj-Gen Chawalit said.

The INSR, describing Thailand as a key trafficking conduit for drugs produced in neighboring countries, expressed concern over what it describes as the "network of relationships" developed for security purposes between Thai military and government officials and narcotics trafficking ethnic groups from Burma, which creates an environment for narcotics-related corruption.

It said the US has expressed its concern to the previous Thai government.

"We have also raised with the previous Thai government recurring allegations that some politicians and Thai officials have been involved in, or abetted, narcotics trafficking. For its part, the previous government said it will take action if we could provide firm information usable in legal proceedings," the report said.

The report said that although the Police Department has set up the Narcotics Suppression Bureau to combine and focus responsibilities of separate units, it still believes there is a need for greater efforts to control the narcotics threat in Thailand.

Although all US economic aid to Thailand was cut following the February 23 coup, anti-narcotics assistance has been left intact. The report said, however, that Thailand's serious efforts to reduce corruption and the flow of drugs through the kingdom will be the main factor in determining the continuation of narcotics assistance.

Pol Maj-Gen Chawalit said the ONCB will resubmit an anti-narcotics draft bill to the National Peace-Keeping Council, for its support, before it goes to the National Legislative Assembly for approval.

The draft, approved at its first reading by the dissolved Lower House, seeks to empower authorities to seize the assets of drug suspects.

U.S. Envoy Calls on Asa; Travel Limits Lifted

BK1403143191 Bangkok Army Television Channel 5 in Thai 1230 GMT 14 Mar 91

[Text] U.S. Ambassador to Thailand Daniel O'Donohue called on Foreign Minister Asa Sarasin today. During the meeting, the U.S. ambassador informed Asa that the United States has announced the lifting of travel restrictions on tourists visiting Thailand as the situation here and in the Middle East has returned to normal after the Gulf War.

Regarding laborers in the Middle East, Asa said that there have been contacts to seek information on the needs of laborers in the Middle East.

Committee Agrees To Send Workers to Kuwait

BK1403030791 Bangkok THE NATION in English 14 Mar 91 p A2

[By Kunlachada Chaiphipat]

[Text] The Cabinet's Committee for Security Affairs yesterday agreed in principle that the Interior Ministry's plan to send Thai workers to help reconstruct wartorn Kuwait is in accord with the interim government's urgent task of boosting the economy, a government official said yesterday.

PM's [Prime Minister's] Office minister M.R. Kasemsamoson Kasemsi, who attended the committee's first meeting yesterday, told THE NATION that the committee agreed that the region's economy, in terms of labour and exports, was damaged by the war and needed a quick boost.

Sending Thai workers to the Middle East would be part of the new government's efforts to renew its ties to the region after being disrupted by the Gulf crisis, he said, adding that the move was especially important to the Thai economy now that the reconstruction of Kuwait and Iraq was imminent.

Attending the meeting, chaired by Deputy Prime Minister Phao Sarasin, were officials from the interior and foreign ministries.

Kasemsamoson who supervises security and political issues, said the committee agreed that the Interior Ministry should work closely with the Foreign Ministry to implement the plan as soon as possible.

Kasemsamoson, said under the plan, an advance team comprising officials from both ministries, would be sent to Iraq to reactivate the deserted Thai Embassy in Baghdad which would be used as a coordinating centre for workers coming to the country. The team would also survey the scope of damage to embassy facilities and telecommunications systems wrought by the war and see what could be salvaged, according to the minister.

Kasemsamoson said the Foreign Ministry would also send officials to reactivate the embassy in Kuwait as soon as possible. "The sooner we restore the embassy, the brighter the prospects for our workers," he said.

Kasemsamoson said the committee also recommended that the Foreign Ministry send officials to the region to reaffirm good ties with Mideast countries. Kasemsamoson said that while good pre-war relations with countries in the region served as a springboard for Thailand's access to the labour market there, the committee feels that a post-war diplomatic drive is still necessary to secure economic benefits in the region.

Foreign Minister Asa Sarasin on Monday urged ambassadors from the United States and Britain, which will play major roles in the reconstruction of Kuwait, to allow Thai workers to participate in the undertaking. Informed sources who attended the meeting said, however, that the committee cautioned that the careless pursuit of a labour export-oriented policy would lead to a shortage of skilled labourers at home, which was a crucial factor in the development of Thailand's economy.

Sunthon Views Thai-Lao Exchange, Troop Pullout

BK1403072691 Bangkok Domestic Service in Thai 0530 GMT 14 Mar 91

[Text] General Sunthon Khongsomphong, supreme commander of the Thai Armed Forces and chairman of the National Peacekeeping Assembly [NPA] granted an interview to reporters about the agreed pullout of Thai and Lao military troops from their border disputed areas. He said that the agreement is subject to further discussion in details. Once the troops are withdrawn, there would be no need to set up a combined force again, because it would be a waste of budget, he said.

The Thai supreme commander said that Thaiand and Laos will begin exchange of their military attaches around late April this year.

Sunthon went on to say that the exchange of military attaches between Thailand and Vietnam is also expected. Vietnam has yet to reply to Thailand's proposal when to begin the exchange. The Thai supreme commmander disclosed that he will visit Vietnam soon. He has asked the Thai Foreign Ministry to fix the visit schedule and itinerary for him.

No 'Extra Influence' To Be Used on Cambodia

BK1403023191 Bangkok THE NATION in English 14 Mar 91 p A2

[Text] Newly-appointed PM's Office Minister M.R. Kasemsamoson Kasemsi said yesterday that Thailand would no longer exert "extra" influence to help quicken the Cambodian peace process but preferred to have it proceed under the framework of the Paris International Conference on Cambodia (PICC).

Kasemsamoson, who was a permanent secretary for foreign affairs before joining the new interim government, made the comment in response to reports that Thailand was adjusting its policy toward the Cambodian conflict.

Wittaya Wetchachiwa, who took over Kasemsamoson's post, said in an earlier interview that Thailand would adopt a profile that would go hand-in-hand with peace efforts taken under the framework of the Paris peace conference, which is now strongly backed by the five permanent members of the United Nations Security Council.

The ousted government of Gen Chatchai Chunhawan had been criticized for attempting to take actions that sidetracked the Paris peace process when it tried to help accelerate the Cambodian peace talks.

"We won't do anything more unilaterally on the (Cambodian) issue," said Kasemsamoson, who has been dealing with the conflict since the Vietnamese invasion of Cambodia in late 1978.

However, he quickly added that what had been achieved during the two-and-a-half years under Chatchai would be maintained, including Chatchai's idea of bringing together all four Cambodian factions to set up a working group on rehabilitation of Cambodia's infrastructure prior to a peace settlement.

Although the idea was agreed to by all the Cambodian leaders, the resistance groups said the rehabilitation programme should be carried out as part of a comprehensive peace settlement.

"We will not meddle with the Cambodian factions' right of self-determination, particularly by trying to solve the problem of leadership," said Kasemsamoson, stressing that in this the new government's position differed from that of the previous administration.

Chatchai was accused by the Cambodian resistance factions of giving more favour to its rivals in the Phnom Penh government when he tried to strike a peace deal among the factions.

Kasemsamoson contended that the shifting position would not jeopardize the continuity of Thailand's diplomacy. He said it was just a minor adjustment to assist the internationally recognized Paris conference framework.

He also played down the possibility that the adjustment on the Thai side would effect Thailand's cooperation with other key players in the peace process, particularly Japan.

Princess Sirinthon To Visit Koreas, China

BK1403114091 Bangkok Domestic Service in Thai 0530 GMT 14 Mar 91

[Excerpt] The Bureau of the Royal Household announced that Her Royal Highness Princess Maha Chakkri Sirinthon will pay official visits to the Republic of Korea, the People's Republic of China, and the Democratic Republic of Korea from 18-29 March 1991 at the invitation of the governments of the three respective countries. [passage omitted]

UK, Soviet Envoys Call on General Sunthon

BK1303132891 Bangkok Domestic Service in Thai 1200 GMT 13 Mar 91

[Text] The following senior foreign officials called on General Sunthon Khongsomphong, chairman of the National Peacekeeping Assembly [NPA], at the reception room of the Supreme Command Headquarters this morning:

At 0930, British Ambassador to Thailand Michael Ramsay Melhuish paid a courtesy call on the supreme commander and NPA chairman to extend his congratulations. At 1100, USSR Ambassador to Thailand Anatoliy Ivanovich Valkov paid a courtesy call on the NPA chairman to extend his congratulations.

On the occasion, the supreme commander and NPA chairman welcomed the two ambassadors and exchanged views with them on various issues.

Minister Says No Extensions for Senior Officers

BK1403024191 Bangkok THE NATION in English 14 Mar 91 p A4

[Text] Phuket—Defence Minister Adm Praphat Kritsanachan said yesterday no senior military men due for retirement this year will have their office term extended. "Even my term will not be extended," said Praphat, who is concurrently navy commander-in-chief.

Praphat, along with Supreme Commander Gen Sunthon Khongsomphong, is due to retire from the military service this October. There has been speculation that they might have their terms extended.

Even after retirement, Gen Sunthon will continue to hold the post of leader of the National Peacekeeping Council (NPKC) which seized power last month. He assumed the post by royal appointment.

Only two senior military men in the recent past have had their terms extended after having reached 60. They were Gen Prem Tinsulanon and Gen Athit Kamlang-ek who were successively army commander-in-chief. The purpose of their extensions was to ensure their control over the armed forces.

Committees Formed To Screen Ministry Proposals

BK1403032391 Bangkok THE NATION in English 14 Mar 91 p a2

[Text] Prime Minister Anan Panyarachun has ordered the setting up of three committees headed by the deputy prime ministers to screen ministerial proposals in the fields of economics, security and foreign affairs and social and legal affairs. He also formally assigned his deputies and the four ministers of the PM's [Prime Minister's] Office their areas of responsibility yesterday.

In the order dated March 12, Anan named Dr Sano Unakun as chairman of the committee of economic ministers, comprising the PM's Office, finance, foreign affairs, agriculture, communications, commerce, science and industry ministers.

Pol Gen [Police General] Sarasin chairs the committee of security and foreign affairs ministers, made up of the PM's Office, defence, foreign affairs and interior ministers.

Michai Ruchuphan heads the committee of social and legal affairs ministers which includes PM's Office, justice, education, public health and university affairs ministers.

The committees of ministers are empowered to:

- —Screen ministerial proposals;
- —Coordinate proposals that involve more than one ministry;
- —Summon officials of government agencies concerned to clarify and to supply evidence to facilitate the screening process;
- —Draw up regulations governing coordination among working groups under respective committees of ministers; and
- —Set up working groups to tackle specific tasks.

In a separate order, Anan also laid down the scopes of responsibilities for deputy prime ministers and PM's Office ministers.

Under the order, issued also on Tuesday, Sano is entrusted with supervising the ministries of finance, agriculture, communications, commerce, science, industry, Budget Bureau, National Economic and Social Development Board, National Statistical Bureau, Tourism Authority of Thailand and Electricity Generating Authority of Thailand. He is also directly in charge of the Board of Investment and Office of the Comptroller General.

Phao oversees the ministries of defence, foreign affairs, interior, Sports Authority of Thailand and the Department of Technical and Economic Cooperation and is directly responsible for the National Intelligence Agency, National Security Council and the Office of the Narcotics Control Board.

Michai supervises the ministries of justice, education, public health, university affairs, Office of the Permanent Secretary of the PM's Office, Office of National Education Board, National Youth Bureau, Public Relations Department, Zoological Organization and Mass Communications Organization of Thailand. He will be directly in charge of the Juridical Council, Civil Service Commission and the Counter Corruption Commission.

Leadership on Separation of Powers Viewed

BK1403020391 Bangkok BANGKOK POST in English 14 Mar 91 pp 1,3

[Text] The National Peace-keeping Council [NPKC] intends to ensure complete separation of powers among the executive, legislative and judicial branches in the next administration, NPKC chairman Gen Sunthon Khongsomphong and deputy chairman Gen Suchinda Khraprayun said yesterday.

Gen Sunthon said the separation of powers, especially between the legislative and executive branches, is meant to prevent vote buying. The NPKC, he said, does not want candidates to spend huge sums in an election and try to recoup their investment after they are elected. Although this will not prevent vote buying 100 percent, it is better than doing nothing, he said.

Admitting there are mixed reactions towards the plan, Gen Sunthon said the NPKC is open to all opinions.

Expressing his personal view, he said it is not necessary for election MPs [members of Parliament] to be prevented from holding Cabinet posts under total separation of powers. "But they will have to relinquish their parliamentary seats," he said, adding that, in such a case, the next highest polling candidate will automatically be regarded as an MP.

Regarding the NPKC's position, Gen Sunthon said the council will be disbanded when a permanent constitution comes into force to replace the interim charter.

He claimed the council is under pressure from some politicians and student groups to lift martial law to speed up the return to democratic rule by an elected civilian administration. But martial law cannot be lifted yet "because there is still opposition to the NPKC and because of a possible outbreak of unrest."

Gen Suchinda, meanwhile, said the whole issue about separation of powers will be considered by the constitution-drafting panel.

Asked if the panel will be influenced by the military, he said only one—or two at most—military officer will sit on the panel. One will be Lt-Gen Saming Trirangkha, a former judge advocate-general, who took part in drafting past constitutions.

Total separation of powers between the executive and legislative branches means that elected members of parliament cannot concurrently hold Cabinet posts. Several politicians and ex-MPs have said if this concept is applied they will not contest the election.

Deputy Prime Minister Michai Ruchuphan, meanwhile, complained that there had been a lot of criticism about the possible nature of the new constitution, despite the fact the constitution-drafting committee has still to be set up.

He said the committee cannot be totally independent because it has to listen to the views of academics, the Press and the public.

Commenting on the separation of powers between the legislative and executive branches, which is being widely debated, Mr Michai said this concept was embodied in the Constitution in 1968. The charter was enforced for about a year before it was revoked.

He urged academics and politicians who agree with the concept to make recommendations about the mechanism supporting the concept to avoid repeating the same fault which resulted in the demise of the 1968 charter.

He played down the concern voiced by some politicians who threatened to boycott the election if the new charter advocates total separation of powers. "It may not turn out as they (politicians) fear," he said and asked: "How can a person know what his baby will look like when he is not married?"

Mr Michai said that in drafting a constitution, a consensus is needed because it is the highest law of the land. "A constitution cannot be drafted easily in a day," he said, adding that previous experience has to be taken into account.

He maintains it is unnecessary for Thailand to follow the constitutions of other countries because of differences in social, economic and political aspects. "The Constitution of Thailand must be written in a Thai style. Everyone claims their constitution is democratic, but there is no standard which can be applied.'

Defending the military, he said the opinions of the military are not different from those of other people. "Only when they are accepted by the public can they be written in the charter," he said.

Gen Suchinda said the NPKC wants democracy and is open to diverse opinions from all parties. "We are not undemocratic. We want to advance towards democracy. Therefore, differing opinions are acceptable," he said, adding: "We are open to views from all sides and we will screen those which are appropriate."

Gen Suchinda maintains the recent arrest of two labour activists was undertaken by the police.

"No one is above the law. We will make arrests when there are violations of the law. Our intention is to restore peace and order and we want all to observe the rule of the law."

He said the NPKC will tolerate political activities by politicians or students "as long as they are done within the framework of the law." He asserted that the council will not tolerate mob rule. It is still necessary to maintain martial law imposed since the coup on February 23.

Vietnam

Grass-Roots Congresses, Party Documents Viewed

General on Documents, Congresses

BK1303151191 Hanoi Domestic Service in Vietnamese 1400 GMT 11 Mar 91

[Essay by Major General Nguyen Xuan Hoe, head of the General Political Department's Organizational Department]

[Text] From a number of grass-roots party congresses directly conducted by higher-echelon party organizations, we have drawn some practical experience, which we wish to exchange with various units for study and application.

Based on the results and experience obtained from the conduct of many grass-roots party congresses, various party organizations have made careful preparations in terms of substance, methods, principles, and procedures, thus avoiding undue mistakes and achieving fairly good results.

By grasping the purposes and requirements of the first round of congresses, asserting the responsibility of each congress and each delegate, and satisfactorily preparing issues to be raised, delegates have, in their discussions, clarified their political stance and their militant arguments. The views exchanged by them have shed light on various negative issues in the party and outside society. They have analyzed and seriously criticized negative phenomena and from this sincerely contributed their views on various documents of the [Seventh] Party Congress, thus generating a wholesome and enthusiastic atmosphere, promoting a high sense of unity and unanimity, and building fresh confidence right in these grass-roots party congresses.

It is necessary to carefully and concisely prepare roundup reports on the results of various grass-roots party congresses. Such reports should clearly deal with the results obtained, uphold the conceptions and viewpoints, the party-oriented character and the principled character of congresses, views already throughly discussed, and views that, though expressed by many people, have not been thoroughly discussed, especially those differing views and suggestions for various party documents. From this we should raise the question of how to thoroughly discuss these views at respective echelons and further improve the quality of party congresses at lower echelons.

In fact, due to higher requirements, what was discussed at higher-echelon party congresses is normally different from that in lower-echelon party congesses. Depending on each document discussed, we should generalize each topic discussed such as evaluating the extent of success, reasons for strong points and shortcomings, traditional lessons of experience, the significance of the contemporary character, and the general goals for the transitional period and the initial stage.

As military party organizations, delegates should discuss the matter of national defense and security more carefully. Regarding a general structure, they should carefully discuss the question of party building. In making supplements to the party statute, they should discuss carefully the Preamble and Articles 13 and 34 and should devote a great deal of time to studying Chapter Six in order to assert fundamental principles for organizing party leadership over the armed forces and to make appropriate suggestions.

The process of discussions at party congresses should be truly democratic. Delegates should promote a sense of responsibility and an overall objective conception, firmly grasp the party's views, and base themselves on firm ground to examine and evaluate the situation. Each delegate should follow up his counterparts' views so he can make speeches reflective of the spirit, contents, and views of the congress at the respective echelon to which he is a delegate, while participating in the discussion of new ideas at a higher-echelon congress and making statements based on his own conceptions and viewpoints. By doing so, he will correctly exercise his duty as a delegate without being confined to speaking only of the congresses at his respective echelon.

The chief coordinator of a congress should discover differing ideological views so he can ask the congress to discuss and clarify the issue. After a discussion, the chief coordinator should briefly discuss and reach an identify of views with the collective participants and solicit their clear-cut suggestions on major problems and on differing views. As for the question of giving clarifications to a term or rearranging the body of the party's documents, this should be summarily noted in a report for submission to higher echelons.

Regarding the election of delegates, in the process of directing congresses we should be practical and careful and not simplistically overlook small details, and we should try to guarantee that principles and procedures are error-free and free of coercion, as this may affect the results of congresses.

Province Expels, Prosecutes Members

BK1303153791 Hanoi Domestic Service in Vietnamese 2300 GMT 12 Mar 91

[Text] Minh Hai Province has made it possible for large numbers of Buddhist monks and people of Cambodian descent to make many suggestions to the various draft documents of the Seventh National Party Congress.

The provincial Party Committee has also inspected the performance of local grass-roots party organizations and expelled more than 1,000 members for violations of the party statutes. Another number of cadres and party members, including numerous members who held important positions, have been prosecuted for lawbreaking.

People's Organ of Control Congress

BK1303124791 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 11 Mar 91

[Text] On 7, 8, and 9 March, the Party Organization of the Supreme People's Organ of Control held its first-round party congress to make suggestions to the draft documents of the Seventh National Party Congress and to elect delegates to attend upper-level congresses. A total of 153 delegates from nearly 20 party chapters directly subordinate to the party organization attended the congress.

During the congress, delegates concentrated on discussing the need to strengthen socialist legislation and enhance supervision over law enforcement. On the basis of their concrete work experience, delegates of the people's control sector proposed that the party on the one hand accelerate economic and political renovation and, on the other hand, pay attention to the demand for renovation in legislation in order to firmly maintain social order and discipline under any circumstances, and to clearly define the position and role of control work. The unified nature of legislation must also be ensured.

The congress of the Supreme People's Organ of Control's Party Organization elected 53 regular delegates and five alternate delegates to attend upper-level party congresses.

Song Be Holds Party Congresses

BK1303131991 Hanoi Domestic Service in Vietnamese 1430 GMT 12 Mar 91

[Text] In Song Be Province, 31 party chapters and grass-roots party organizations have finished holding first-round congresses to make suggestions to the five draft documents of the Seventh National Party Congress and to elect delegates to attend upper-level congresses.

Various party chapters and party organizations contributed numerous ideas and suggested that some issues be elucidated. For example, it should be determined whether labor is a commodity. Other issues dealt with land ownership, the use of land, and party members' participation in economic building. Many delegates held that the notion of prohibiting party members from exploitative activities needs not be raised as a rule in the Party Statutes because a party member is first of all a citizen and therefore must abide by the law.

The Political Platform also prompted many suggestions. Delegates were of the opinion that, due to the very complicated current international situation, the building of socialism in our country in the transitional period should proceed in line with reality. The party organization of the Dau Tieng Rubber Corporation proposed that the party and state work out clear-cut investment policies to develop industry and agriculture, to promote balanced goods import-export, and to tightly organize law enforcement organs to consolidate public confidence. There must be concrete investment policies to promote health care and education and to improve the welfare of workers, pensioners, and incapacitated people. Many delegates suggested a change in the wording of some portions of the platform: For example, the policies of and investment for the selection and fostering of talented people as well as the preferential treatment reserved for capable scientific and technical cadres must be satisfactory—not satisfactory as feasible.

Binh Dinh Makes Suggestions to Report

BK1303131491 Hanoi Domestic Service in Vietnamese 2300 GMT 12 Mar 91

[Text] The propaganda, culture, and education department of Binh Dinh Province's party committee, the party committee of Quy Nhon City, and the science and technology committee of Binh Dinh Province have organized for cadres, party members, and scientific and technical cadres to discuss and make suggestions to the contents of the Draft Political Report of the Seventh National Party Congress.

In their suggestions, many retired cadres and party members in Quy Nhon City stressed: At a time when the world situation has undergone many complex changes, especially in Eastern Europe, our party has persisted in its stance and firmly maintained its strategic line that building socialism along the path chosen by Uncle is correct. Numerous opinions held that despite our economic renovation, the living conditions of cadres, workers, and civil servants are still too difficult, and that the figure of 10 percent of peasants facing difficulties as noted in the draft report is not accurate. Culture, social welfare, health care, and education are degrading; organizational work remains lax; and factionalism and parochialism are still serious. Meanwhile, people's councils, trade unions, women's unions, and youth's unions have operated erratically and ineffectually; various social welfare policies have not received due attention; and public confidence in the party has decreased.

Editorial Marks NHAN DAN Anniversary

BK1303134191 Hanoi Domestic Service in Vietnamese 2300 GMT 10 Mar 91

[NHAN DAN 11 March Editorial: "The Cause of the Party's Newspaper"]

[Text] With its 13,274th issue today, NHAN DAN newspaper, our party mouthpiece, celebrates its 40th founding anniversary. NHAN DAN came into being by the decision of the Third Communist Party of Vietnam [CPV] Congress. It is the successor of various newspapers, namely THANH NIEN (Youth) 1925-27, TRANH

DAU (Struggle) 1930, DAN CHUNG (The People) 1936-39, GIAI PHONG (Liberation) 1942- 45, and SU THAT (Truth) 1945-50.

The history of party newspapers is in close association with activities of our party, the revolution, and the people. The paper THANH NIEN, founded and run by Uncle Ho, contributed significantly to disseminating Marxism-Leninism in our country. It helped shape political, ideological, and organizational preparations for the establishment of the CPV. The TRANH DAU, DAN CHUNG, and other party newspapers that published in the first decade following the establishment of the CPV encouraged activities of the revolutionary and democratic forces aimed at escalating the first battles against colonialism, imperialism, and feudalism. The GIAI PHONG helped to incite the movements for national salvation and motivate the people to participate in the August Revolution.

NHAN DAN, the successor of SU THAT, came into being at the final stage of our people's first war of resistance for national salvation. Its 40-year history was in close association with the history of our party and people's glorious struggles in the two wars of resistance for national salvation against the French colonialists and U.S. imperialists, which culminated in the liberation of the country, unification of the fatherland, building of socialism, and implementation of the renovation cause at present.

As mouthpiece of the party and forum of the people, NHAN DAN has exploited its mass media function to propagate and disseminate the party's line, policy, and revolutionary concept to the people. It has contributed to mobilizing and encouraging all struggles of our people and army. The newspaper has reported all military exploits and achievements and carried articles on the revolution and sacrifices made by revolutionaries in national defense and construction throughout the country. Through its mass media role, NHAN DAN has daily shared its views for the common struggle of nations and progressive mankind and for peace, national independence, democracy, and socialism.

Implementing our revolutionary cause and publicizing lively examples of our countrymen and cadres' patriotism, heroism, and courage, the party newspaper has positively contributed to fostering the patriotism, nationalism, and revolutionary heroism of our generations, thereby contributing to promoting major political activities and motivating tens of millions of our people to participate in various struggles. If we compile all NHAN DAN copies during the past 40 years, we will have a comprehensive document on the history of our revolution. It can be said that NHAN DAN has never missed any great struggles, outstanding military exploits, political or socioeconomic movements, and important international and modestic events, especially since the publication of its daily issues.

Since the Sixth CPV Congress, the party newspaper, together with other mass media agencies, has struggled to disseminate among the people the party lines and policies on the current renovation cause, thus helping the masses to change their concepts and clearly understand socialism and the initial stage and measures for implementing the renovation cause. It also helped the people to understand the need to urgently apply the economic renovation, a key factor for a firm, gradual political renovation, democratizing party activities and improving social life.

Through many different columns, the paper has reflected the thoughts and aspirations of the people, cited new factors, struggled against and criticized erroneous viewpoints and negative behavior, and filed petitions for supplements and amendments to policies. The struggle against plots and acts of sabotage by imperialist and other hostile foces, especially in the ideological field, has also been given proper space in the paper.

As the party's central organ placed under the direct guidance of the Political Bureau and Secretariat, NHAN DAN has been regularly cared for by Uncle Ho and many other leaders of our party and state who have shown its workers how to perform in the press and write articles for the press. The newspaper has received earnest and valuable assistance from all echelons, sectors, informants, collaborators, large numbers of readers, comrades, and compatriots nationwide.

The NHAN DAN workers have strenuously forged themselves to raise the standards of their political and professional knowledge and get in touch with a widely changing world. These are extremely important factors that have helped the newspaper fulfill part of its political duty, uphold the party banner on the battlefronts of the press and ideology, and unite, mobilize, and encourage the people of all strata to perform revolutionary acts.

The country is going through a turbulent period. Many deep changes have taken and are taking place and the renovation process continues to develop. NHAN DAN has realized that it still has many weaknesses and shortcomings in its information and polemics. It still fails to carry news reports in a swift, timely, diversified, fruitful and comprehensive manner and on a national scale. It still lacks articles of sharp polemics and investigative reports on burning issues of life. Although it is a reliable friend of the people, it still lacks attractiveness and an ability to settle pressing problems. It has not responded most satisfactorily to the demands of readers.

The process of renovating the country requires the press to renovate itself both in terms of content and form, behavior and standard of knowledge of its workers. Renovation must be in such a way as to make the party's press workers not only politically steadfast but also professionally good. Edition and publication must be renovated to popularize the paper broadly and deeply among all strata of the people and to easily influence readers.

The collective of the party's press workers is responsible for doing its utmost to enable the paper to keep abreast of the new tasks. The process of preparing for the

Seventh Party Congress and of compiling the political platform, the socioeconomic strategy, and the political party development reports requires NHAN DAN and other mass media of the party to truthfully reflect all constructive ideas and muster the intelligence of all party members and people to point out the path and major guidelines and measures for us to advance.

After the congress, the paramount task of NHAN DAN will be to propagate the party's fundamental viewpoints on the advance to socialism in our country in close combination with the propaganda campaigns to educate all party members and people on implementation of the congress resolutions; shape up a new revolutionary atmosphere and create a vigorous revolutionary impetus for the people to exercise their mastery over the political, economic, cultural and social domains; and build a new society of the people, by the people, and for the people.

As a daily guide for the thought and action of millions of people, NHAN DAN strenuously struggles to remain worthy of its function and mission, and of the glorious past of its predecessors and its own.

Dau Ngoc Xuan Addresses Investment Forum

BK1303155191 Hanoi VNA in English 1444 GMT 13 Mar 91

[Text] Hanoi VNA March 13—An official of the Vietnamese Government has assured potential foreign investors of the government's will to take every possible measure to create an environment favourable for their investment projects.

Addressing the current investment forum in Ho Chi Minh City, the first ever in Vietnam gathering more than 600 representatives, Dau Ngoc Xuan, minister and chairman of the State Committee for Cooperation and Investment, brushed a picture of Vietnam on the path of renovation.

He said: "In the economic area, a system of solutions has been implemented: First, diversifying the forms of ownership, implementing a mixed structure including the state-owned, the collective, the private and individual economies. The state policy is to rearrange the state economic sector, encourage the private and individual sectors to produce goods and services to meet the requirements of social market. In this mixed structure, the joint venture is implemented alongside the competition among different forms of ownership.

Second, renouncing the management by centralized bureaucracy and administrative order and implementing the management in accordance with the market mechanism. In industry and services, it is the right to production and business, financial autonomy and responsibility of the economic organizations for profits and losses. In agriculture, it is the allocation of land to the households for their long-term use.

Third, adjusting the investment structure, with priority given to the food and foodstuffs programme, the production of consumer goods and exports.

Fourth, implementing the reform of prices and exchange rates in accordance with the market mechanism, renewing financial and banking together with other measures to check inflation.

On the political plane, renewal has also been effected in depth and width in order to synchronize it with the economic renewal. The fundamental content of the political renewal is to ensure that all rights belong to the people, build a state of the people by the people and for the people. All important decisions of the party and state are made public to solicit opinions from the people. The press is not only the mouthpiece of the party and state, but also an open rostrum of the people, where the people express their political ideas, leadership, and management of the party and state and denounce its bureaucratic and degenerated organizations and individuals.

An important political task is to achieve unity and national concord, gather all national [words indistinct] their past and political affiliations, for the common [words indistinct] of building an independent and prosperous country advancing step by step towards civilization and modernity.

In external relations, the focal points of renewal [words indistinct] national life, to open the economic door to the outside world, to help build Southeast Asia into a region of peace, stability and cooperation for development.

In December 1987, the National Assembly of the Socialist Republic of Vietnam passed the law on foreign investment in Vietnam. Since then, the investment law has been many times amended and complemented. Nearly 50 legal documents have been issued to provide guidance for the implementation of the foreign investment law. The Vietnamese Government has signed investment protection and avoidance of double taxation agreement with the governments of many countries.

The social renewal which is contributing to the consolidation of the social and political stability, the gradual formation of a regulated market economy, the enacting of laws based on the new thinking together with the abundance of natural resources and manpower has opened great investment opportunities for foreign countries. Within a short time, licences have been issued to more than 240 foreign investment projects with a total capital of over 1.4 billion U.S. dollars.

Vietnam has signed 11 contracts on oil and gas prospecting, exploration and exploitation with oil companies from Britain and India, Sweden, the Netherlands, Belgium, Canada and Australia. Particularly, in [words indistinct] the Vietsov Petro Joint Venture exploited more than 2.7 million tons of crude oil, bringing considerable revenues to the two sides. Some major oil companies are undertaking exploration and negotiations to prepare for the signing of new contracts in the oil area.

Billions of tons of coal, bauxite and apatite, hundreds of millions of tons of iron ores, tens of millions of tons of rare earth, etc, are waiting for investment.

Although Vietnam does not have very large agricultural land, the favourable natural conditions allow the processing of tropical products suitable to the demands of the world market. Investment in this area promises big results and fast payback. The timber forests in Vietnam with a humid climate and quick growth can bring about big profits. Vietnam wishes to cooperate with foreign countries in a complete cycle of exploitation from planting, exploiting, to processing and manufacturing. The Vietnamese state is considering special [words indistinct]

Vietnam has over 3,200 km of coastline lying on international communication routes very favourable for the farming, exploiting and processing of aquatic products, the [words indistinct] of export processing zones, special economic zones and tourist centres.

For a country like Vietnam, attracting direct foreign investment is still a novelty. In the process of implementing the law on foreign investment, difficulties as well as shortcomings in management and monitoring are inevitable. The backwardness of the infrastructure, the bureaucratic style of work of the state bodies and a lot of troubles created in the service area have created quite a few difficulties to investment operations. But the Vietnamese state has recognized that and is taking urgent measures to improve the situation.

The Vietnamese Government highly appreciates the concern of overseas Vietnamese communities over the situation at home and their contributions to national construction as well as to the expansion of relations and cooperation between Vietnam and foreign countries.

Reports on Food Production, Possible Shortages

CIDSE Emergency Aid to Shortage Areas

BK1303085491 Hanoi VNA in English 0730 GMT 13 Mar 91

[Text] Hanoi VNA March 13—The International Cooperation for Development and Solidarity (CIDSE) has made available emergency assistance to areas which are facing food shortages. In the year ended February 1991 its aid, totalled 1.83 million US dollars.

Since 1988, after CIDSE opened a field office in Hanoi, it has extended assistance to several projects in the fields of agriculture, irrigation, rural development, health care, forestry and small industries.

On March 8, 1991, the renewal of the memorandum of understanding was signed here by Mr. Bui Xuan Nhat, director of the Economic and Cultural Cooperation Department of Ministry of Foreign Affairs, and Mrs. Sally O' Neill, director of the CIDSE programme.

22 Million Tonnes of Grain Projected

BK1303125491 Hanoi Domestic Service in Vietnamese 0500 GMT 8 Mar 91

[Text] Generally speaking, the production of grains in Vietnam was on the increase in 1990. Given efforts by many countries to stabilize and ensure steady development of grain production, our production output last year is an encouraging sign for agriculture in Vietnam, where adverse weather conditions and material and technical difficulties are prevailing.

The nation is striving to produce 22-22.5 million tonnes of grains in 1991, of which 19.5-20 million tonnes are paddy. It is expected that Vietnam will export 1.3-1.5 million tonnes of rice this year.

To fulfill these targets, it is necessary to create favorable conditions for the Mekong River Delta, a key grains and goods producing region; the Red River Delta, the region with a great work force and population; and other rice-rich producing localities to implement multicropping and intensive cultivation so as to expand agricultural acreage and increase production output.

Nationwide Production Figures Released

BK1303154291 Hanoi VNA in English 1502 GMT 13 Mar 91

[Text] Hanoi VNA March 13—By early this month, peasants throughout the country had planted more than 2,111,000 hectares of winter-spring rice, an increase of 3.7 percent over the same crop last year.

The Red River Delta provinces in the north surpassed the plan by about 3,000 hectares. Mean while the paddy area in the Mekong River Delta in the south was 67,000 hectares more than the same crop last year.

The southern provinces had also harvesed early winter-spring rice on 179,220 hectares with an average yield of 4 tons per hectare.

General Khanh Attends 325th Division Anniversary

BK1303110191 Hanoi Domestic Service in Vietnamese 2300 GMT 11 Mar 91

[Text] On 11 March the heroic 325th Division held a solemn ceremony to mark its 40th founding anniversary, 11 March 1951 to 11 March 1991, and to welcome Council of State Chairman Vo Chi Cong's letter to cadres and combatants of the division on the occasion.

Senior Lieutenant General Nguyen Nam Khanh, member of the Communist Party of Vietnam [CPV] Central Committee and deputy head of the Vietnam People's Army [VPA] General Political Department, attended the function.

Throughout past years the division has firmly upheld the tradition of unity and an unyielding spirit and determination to win. The division's four regiments, eight battalions, five companies, and eight cadres and combatants were awarded the heroic unit titles and the heroic people's armed forces titles. The division was also awarded the Ho Chi Minh Order, the Military Service Order, and the Military Exploit Order.

While engaging in combat, the division made great efforts in national construction, carrying out political activities, enhancing training and combat readiness, and improving its members' daily life.

On behalf of the Military Commission of the CPV Central Committee, the National Defense Ministry, and the VPA General Political Department, Senior Lieutenant General Nguyen Nam Khanh commended the 325th Division for its efforts and achievements in combat and national construction during the past 40 years. He also thanked echelons of the local administration and the people for their consistent support and assistance to the division in fulfilling all the assigned tasks.

Vo Chi Cong Letter Salutes 325th Division

BK1303110991 Hanoi Domestic Service in Vietnamese 2330 GMT 10 Mar 91

["Text" of State Council Chairman Vo Chi Cong's letter to 325th Division—read by announcer]

[Text] Dear comrades, on the occasion of the 325th Division's 40th anniversary 11 March 1951-91, and on behalf of the party and the state, I cordially send my warm greetings to all cadres and combatants of the division and my best regards to the surviving families of fallen heroes, the wounded and sick soldiers, and retired and transferred comrades of several generations since the establishment of the division.

Under the leadership of the Communist Party of Vietnam [CPV] and respected and beloved President Ho Chi Minh, and with the care and assistance of the people, generations of cadres and combatants of the 325th Division have constantly developed the fine nature and glorious traditions of the heroic Vietnamese People's Army [VPA].

In the past 40 years, the division has united its effort to overcome difficulties and hardships, endured fierce sacrifices, conducted mobile combat operations in various battlefields, scored many armed exploits, fulfilled the tasks assigned by the party and the people, made positive contributions to the cause of national liberation and reunification, and to the defense and building of the Socialist Vietnam Fatherland, and fulfilled its international obligations.

Classes of divisional cadres and combatants have built up the fine traditions of solidarity, stalwartness, alertness, boldness and determination to win to remain worthy of the noble title of VPA heroes.

On the occasion of this glorious traditional day, I warmly cite the achievements scored by the 325th Division in combat and construction throughout the past 40 years.

Dear comrades, the process of comprehensive renovation, socialist construction, and national defense is still rife with difficulties. The present revolutionary requirements and tasks make the responsibility of the army very heavy. You, comrades, are required to make the division comprehensively strong and firm, and highly mobile and combat ready in order to outstandingly fulfill all tasks assigned by the party, the state, the army, and the people.

Each cadre and combatant in the division must understand thoroughly all lines, positions, and policies of the party and the state and constantly develop the glorious traditions of the army and the lofty image of Uncle Ho's soldiers. You should uphold self-reliance, strengthen internal solidarity and army-people unity, closely coordinate with friendly units, strictly observe discipline, remain constantly vigilant, strenuously acquire political, military and professional knowledge, master weapons and equipment, actively participate in productive labor, practice thrift, make your unit constantly and comprehensively strong and firm, and score practical achievements to greet the upcoming 7th CPV's National Congress.

I wish you, Comrades, good health and many new achievements, and send herein my cordial salutations full of determination to win.

[Signed] Vo Chi Cong